



## Daily reports about the trial of Dr Wouter Basson: 4 October 1999 – 11 April 2002

This is a record of proceedings in the criminal trial of Dr Wouter Basson, former head of the apartheid chemical and biological warfare programme. The trial took place between October 1999 and concluded on 11 April 2002. During this period, journalist Marlene Burger attended each day of the proceedings and made contemporaneous reports available to Chandre Gould. Gould edited the reports and they were made available publicly. Since the trial was conducted in Afrikaans, these were the only reports accessible to non-Afrikaans-speakers and the international community.

In the interests of ensuring that the trial record remains available to researchers and the public the Institute for Security Studies has archived the daily reports.

The reports were made possible by funding received from the Ford Foundation, the Friedrich Ebert Stiftung and the Norwegian Government. Financial contributions were also made by Dr Alastair Hay of the Leeds University's School of Medicine, the Science Policy Research Unit of the University of Sussex and Amnesty International.

### Trial Report: One

Dr. Wouter Basson appeared in court on Monday 4 October 1999 for the start of what is predicted to be a long and complicated trial. He is facing multiple charges of fraud, murder, conspiracy to murder and possession of drugs (ecstasy, mandrax and cocaine). Dr. Basson is represented by Jaap Cilliers and Tokkie Van Zyl, advocates at the Pretoria bar. Dr. Torie Pretorius and Anton Ackerman (SC) are prosecuting. The trial is presided over by Justice Hartzenberg.

The trial failed to get underway this week and Basson has not yet been asked to plead. The defence team has raised a number of objections to the charges. In the first instance the defence has argued that the charges relating to any activities in Namibia should be dropped on the basis that Basson qualifies for a general amnesty that was promulgated on 7 June 1989, on the eve of independence by the then South African Administrator General. The amnesty protects all South African police and military members from criminal prosecution related to any operational activity in Namibia before that date. The prosecution will put its arguments next week.

The defence has also objected to the conspiracy charges, arguing that it is virtually unprecedented for a person to be charged with conspiracy to murder when the murder took place in a country other than that in which he is standing trial. Once again this will be argued by the prosecution next week. It is worth noting however that there is a precedent in South Africa for this, set in the case against former policeman, Eugene De Kock. The defence has also raised objections to the bail application transcript being used in the trial. They have argued that an interrogation of Basson by the Office for Serious Economic Offences, conducted after his arrest in 1997 should not be admissible as evidence. It is unlikely that Basson will be asked to plead until the matter of the relevance of charges has been ruled on. It is expected that that may happen late next week.

Should the defence win its arguments on both the amnesty and the admissibility of the application hearing, the repercussions would be that the charge sheet would have to be revised and a much weaker set of charges will emerge. Should the bail application be ruled inadmissible, it will make the states case on the fraud charges far more difficult to argue and they will not have a basis on which to question the version of the accused. Meanwhile, two days before the start of the trial, Basson granted American film maker, Andrew Jones a three-hour interview. It is understood that Jones is negotiating with American television networks for the sale of the interview.



## Trial Report: Two

The Basson trial went into recess last week after a ruling by Justice Hartzenberg on 12 October. Court resumes again on Monday 25 October.

In a 90-minute judgement last Tuesday, Judge Willie Hartzenberg ruled that six of the eight conspiracy to murder charges against Wouter Basson had to be withdrawn by the State. His ruling is based on his interpretation of the relevant clause of the Criminal Procedure Act, which does not allow prosecution in a South African court for crimes committed on foreign soil.

Hartzenberg also found that, in any event, Basson could not be prosecuted for crimes committed in Namibia, since the amnesty granted in June 1989 (and extended in February 1990 to specifically cover all members of the SA and SWA security forces) had been recognised by the present Namibian government and thus indemnified Basson from prosecution in South Africa "for crimes which Namibia does not wish to pursue".

Despite the fact that the same prosecution team successfully charged Eugene de Kock in 1995 with conspiracy to murder for crimes committed outside the country (attempted murder of Dirk Coetzee, murder of Vlakplaas operative Brian Nqulunga in what was then Bophuthatswana) Hartzenberg found that this had been tantamount to the State "creating a new crime".

Since De Kock's defence team never challenged the charges and the matter was never argued, the Basson case ruling is the first in SA on this matter.

The charges that have been withdrawn include Charge 31, involving a conspiracy to murder enemies of the state and own security force members who present a security risk. Actions emanating from this policy include the poisoning of 200 Swapo prisoners of war in a detention camp and the murder of five Swapo members at Fort Rev, Ondangwa - the only murder charges, which actually placed Basson at the scene. Basson will also not be charged for other murders that took place outside the borders of South Africa including those of Gibson Mondlane in Mozambique and Enoch (Knox) Dlamini in Swaziland. Also not to be heard is charge 61 involving a plot by an SADF hit squad (the CCB) to contaminate the water of a Swapo transit camp with cholera shortly before the Namibian elections.

Hartzenberg upheld the State's right to prosecute Basson on Charge 45 - death of a Swapo member who was fed poisoned "jungle juice" in Owamboland but flown to 1 Military Hospital for treatment on the grounds that he had died within the court's jurisdiction.

The fate of Charge 59 - hanging of baboon foetus in Archbishop Desmond Tutu's garden - is still undecided. The judge ruled that as presently formulated, it does not constitute the crime of intimidation, since no actual threat was issued. The State has the opportunity to reformulate the charge, or amend it. If this cannot be done, it, too, must be dropped.

On Charge 63, also challenged by the defence, the judge made the extraordinary ruling (not requested by the defence) that while the charge may stand on the grounds that some of the resulting actions took place in SA (murders at Zeerust, etc) the defence has the right to object to all and any evidence that may be presented in relation to the six withdrawn charges.

This could pose a serious problem for the State, since without being able to present a full account of the CCB's policy, methods of operation, etc, it could be hard-pressed to convince the court of Basson's guilt in regard to the remaining murder/attempted murder charges. Lack of this evidence would effectively remove the motives for the remaining 14 murders as well.

The State could face a further major obstacle in that at least some of the secret witnesses lined up to testify in return for indemnity from prosecution may now decide, in the light of the



fact that they are implicated only in the six withdrawn charges and/or are covered by the Namibia amnesty, not to give evidence after all.

It would appear that the prosecution has a limited right to appeal against the judgement, which is likely to mean that the trial will go ahead with the exclusions as ruled by the Judge.

Even though Basson has still not been asked to plead and his trial has thus not formally begun, Hartzenberg granted the defence's request that his bail conditions be relaxed for the duration of the trial. He thus no longer has to report to a police station once a week. The State did not oppose the request.

## **Trial Report: Three**

The trial of Dr. Wouter Basson began in earnest on Monday 25 October with Basson pleading 'not guilty' to the 61 charges put to him. The prosecution announced that they would not be appealing the Judges decision to drop charges relating to activities in Namibia (for which Basson is said to have qualified for amnesty) and charges relating to activities outside the borders of South Africa. It is possible that the prosecution may appeal the Judgement at the end of the trial.

In his opening address, senior prosecutor Anton Ackerman (SC) told the court that the crimes for which Basson is to be tried cannot be regarded as apartheid crimes since most of the charges relate to Basson's self-enrichment schemes. He conceded however that some of the charges contained in the second volume of the indictment and relating to human rights violations were politically motivated. Ackerman also pointed to Basson's luxury lifestyle implying that it would have been impossible for Basson to maintain such a lifestyle on his civil servant's salary.

The prosecution said that evidence would show that Basson's "cover" of a prosperous businessman, used to set up Project Coast, was not a cloak he donned when acting in the interests of the SADF, but in fact a true reflection of his activity while building up a vast empire of business interests and valuable assets both in SA and abroad.

The first witnesses to appear in court were the South African Narcotics Bureau officers involved in the sting operation, which resulted in Basson's arrest in January 1997. It is interesting to note that the police officers testified that before the deals involving Basson they had never encountered ecstasy capsules in South Africa.

It was widely reported in South Africa that one of the police officers involved in the sting operation, Jacobus Paulos Wiese announced after reluctant testimony that he was sympathetic to the accused and that he had known Basson in Ondangwa in Namibia whilst doing his national military service. The state declined to pronounce him a hostile witness.

Turncoat, Grant Wentzel also took the stand during this week. Wentzel had been a member of a commodities company established by Basson in the early 1990s and had been the person to approach Basson about an ecstasy deal. Through Wentzel's testimony details began to emerge of Basson as the central figure in an international sales and procurement network which included arms deals. Deals involving Libya and Pakistan were mentioned and it was alleged that Wentzel had negotiated a deal with the Pakistani government involving the sale of AK47s, grenade launchers and ammunition for navy launches. There was even talk of deals with Iraq.

Basson's defence in response to allegations of dealing in ecstasy has been that the deal involved arms rather than drugs and that he had not been aware that a packet he had passed to Wentzel, leading to his arrest had contained ecstasy capsules.



In a surprise move in Thursday the defence team put it to Wentzel that through his company, Global Management, Basson and one of the other directors, Solly Pienaar, had travelled to Libya to collect funds for Winnie Madikizela-Mandela's defence in the trial relating to the disappearance of Stompie Sepei in the 1980s. It was alleged that in returning to South African Basson and his colleague had delivered the money to the Mandela's Houghton home. The allegation was not tested.

Former head of research at the front company Delta G Scientific, Dr. Johan Koekemoer, who was responsible for the manufacture of the 912kg of MDMA (ecstasy) will take the stand today.

## **Trial Report: Four**

This report covers the testimony of 29 October and 1 November. The trial was halted on Monday to give the prosecution a chance to consult with two witnesses: Tim McGibbon of the US DEA who was responsible for conducting extensive forensic tests on the ecstasy, and former Office for Serious Economic Offences investigator Etienne Lamprechts.

Testimony this week continued to provide details of the ecstasy and mandrax manufactured at the front company Delta G Scientific.

On Friday 29 October Dr Johan Koekemoer, chief researcher and later director of research at Delta G Scientific from April 1986 to 1997, gave testimony. He spoke of the manufacture of ecstasy at the front company under the codename Project Baxil from about June 1992 to January 4, 1994.

Koekemoer told the court that security at Delta G was extremely tight, laboratory access was strictly controlled and limited to senior staff and security breaches were dealt with in serious vein. The need-to-know principle was so strictly enforced that all but a handful of those directly involved knew that Project Baxil was about Ecstasy production. The rest of the staff, including junior members of staff involved in the project, were told they were making rocket fuel for France.

Koekemoer also spoke of smaller SADF projects, such as small-scale manufacture of Blue Nitrate and various toxic substances, including a heart poison similar to digitalis.

The MDMA made on large scale by Delta G was produced by a unique method, developed by Hennie Jordaan, a researcher at the company. The start-up chemicals were provided by the procurement front, Organochem under the guise of being chemicals needed for the production of an insecticide. Dr. Philip Mijburgh, MD of Delta G had told Koekemoer that the Ecstasy project was to be handled with the utmost confidentiality, on orders of the Surgeon General, General Knobel, the minimum number of staff were to be involved and the end product would be used as an incapacitant for riot control.

Koekemoer never believed Ecstasy could be used as a crowd control agent and was deeply concerned about the possibility of abuse of the substance.

Koekemoer testified that he personally delivered the final product to the basement of the offices of Medchem in Pretoria, Medchem's Managing Director was Dr. Philip Mijburgh. On at least two occasions when deliveries were made, Basson was in Mijburgh's office.

A young pharmacist who was recruited to work at Delta G after completing his national military service, Steven Beukes also testified saying he'd known Basson since volunteering for Special Forces as a national serviceman in June 1984. The Special Forces Medical Unit then included nine doctors and two pharmacists and operated from Special Forces Headquarters. Beukes told the court that the drugs Scoline and Ketelaar were routinely included in the medical supplies packed in the bags the doctors would take with them on



Special Force operations - along with morphine, antibiotics and the saws they might need for behind-the-lines surgery. Scoline and Ketelaar have been named in the charge sheet as the drugs used by Special Forces in overdose to murder people who posed a security threat to the country.

In 1985, Beukes was asked by Basson to set up a facility to make Mandrax, including a laboratory where the base compound could be granulated. He made 100 000 tablets, marked MX on one side and RL (for Roussel Laboratories, legal manufacturers of Mandrax) on the other. All active ingredients were supplied by Basson to Beukes. Basson's defence team has argued that the mandrax tablets produced by Beukes were in fact placebos, used by Special Forces to infiltrate drugs and arms routes used by the military wing of the ANC.

Jerry Brandt, the first of the State's secret witnesses testified on Monday 1 November. Brandt was the managing director of Organochem, the front company responsible for procurement for Delta G Scientific. Brandt was tasked by Basson to procure the formula for the manufacture of ecstasy. All substances supplied to Delta G by Brand for making Ecstasy were delivered to a basement room at Medchem's offices in Centurion during 1992. Brandt spoke at length about the relationship between Basson and Solly Pienaar. He claimed that Pienaar was a friend of Nelson Mandela, Graça Machel and Joachim Chissano. He spoke of a trip undertaken by Pienaar, Basson and himself to establish a bank in Mozambique.

As the trial progresses it becomes increasingly clear that Basson was involved in a number of business deals through a network of companies related in some way to the project. Basson's defence has mentioned his links to the ANC and particularly to former President Nelson Mandela on a number of occasions during the past two weeks of testimony. These claims have not been challenged, nor have they been tested and it is unclear what the defence's intention is.

## **Trial Report: Five**

When court resumed on Monday 8 November it was to begin examination of the fraud charges against Dr. Basson. The court did however hear that Basson's defence team has admitted that they do not dispute that the evidence presented in relation to the ecstasy seized in 1997, nor that relating to the drugs found in trunks stored at the house of one of Basson's close associates, Samuel Bosch.

The court heard extensive testimony this week about the luxury lifestyle led by Basson and his associates. The first person to give evidence on the fraud charges was architect, Lizelle Larson. Larson was contracted by Basson to renovate his Pretoria home at a cost of R1,5 million. She was then contracted to do R8 million renovations to a luxury property known as Merton house, also in Pretoria. Larson told the court that Merton house, which was thought to have been developed as a guesthouse, included a cordon bleu kitchen, jacuzzis; an extensive wine cellar and a separate service entrance. She told the court that a special trip was made to Fancourt hotel near George to inspect the decor, which Basson liked.

Merton house was ultimately sold to the Zimbabwean government at a loss, for use as an embassy. The defence argued that the house had always been intended as an embassy and that it had been visited by the Libyan ambassador to Namibia whilst being rebuilt.

The builder who worked on this project was Niel Kirstein. He gave evidence on the 9 and 10 November. Kirstein testified that he had befriended Basson and as a result he and his wife had accompanied Basson on overseas trips. He spoke of a holiday in the Kruger Park with Basson and a number of his associates; of a weekend trip in 1992 to watch the South African rugby team play at Twickenham and various other luxury jaunts.



The court also heard that Basson, Kirstein and Lothar Neethling had flown to Walvis Bay one Sunday for an appointment. According to Basson's defence, he and Neethling were on official duty all day, meeting representatives of Unita, Germany and Portugal.

Evidence has not yet been led on where the money for the overseas trips and the renovations of Merton House came from. We expect to hear evidence from the former Surgeon General, Gen. Niel Knobel next week.

## **Trial Report: Six**

Court proceedings began this week with the ruling that the State may not use the record of Basson's bail proceedings following his arrest on fraud charges in 1997. That hearing was held in camera, at the behest of various State departments, in the interest of "national security" and to avoid any possibility that information revealed might contribute to the proliferation of weapons of mass destruction.

Hartzenberg found that by using transcripts of Basson's 1993-1997 evidence to the Office for Serious Economic Offences to cross-examine him, the State had behaved in an "unseemly" manner, using the OSEO evidence not to prove that Basson would not stand trial but to lay the ground for questioning in future court proceedings.

The State had also acted unfairly in refusing to allow Basson access to the documents used during his cross-examination, and Dawie Fouche, who had questioned Basson during the OSEO probe, ought not to have acted as prosecutor in the bail hearing.

The former Surgeon General and Manager of Project Coast took the stand on Monday and continued to testify throughout the week. He testified extensively about the privatisation of the two main front companies of the project: Delta G Scientific and Roodeplaat Research Laboratories and spoke about the origin of the programme.

Knobel told the court that the programme had been initiated in response to threats believed to have been posed by the conflict in Angola and said that Basson had been tasked with collecting information about chemical and biological warfare programmes abroad.

According to Knobel, Basson's initial investigation indicated that the existing conventions governing CBW were totally inadequate and had not kept pace with scientific developments and that there were no effective control measures.

The project was approved after Basson's initial intelligence gathering and a decision made to make use of front companies in order to establish a CBW capability. To this end RRL and Delta G Scientific were established along with INFLADEL in 1984 as the information and technology arm of the project. In 1990, the company's tasks were assumed by SEFMED INFORMATION SERVICES, which served until 1994 as the information front. Sefmed had offices in both London and Basle. Initially, Inffadel also handled the financial and management functions, with SADF funds being channelled through it, but these functions were subsequently transferred to D JOHN TRUTER FINANCIAL CONSULTANTS. The project took some time to get off the ground, and as the need arose, additional front companies were set up. Approval had to be obtained on an annual basis from the Minister of Defence to do so.

Knobel explained that Delta G's task was offensive chemical research, while RRL was responsible for the defensive biological programme. Tests were carried out on their behalf by a "private company", Protechnik Laboratories, while another "private" company, Lifestyle Management, had been contracted to do the physiological research.



The annual project budget had to be approved by a co-ordinating Control Committee (CCC) of which Basson was the secretary. Security was such that the members of the CCC never visited the front companies and relied upon Basson for all and any information relating to the project, financial and otherwise.

With regard to the privatisation of Delta G and RRL, Knobel explained that the companies had ultimately been sold to the major shareholders, Philip Mijburgh in the case of Delta G and Wynand Swanepoel in the case of RRL, for security reasons. He also explained that both transactions had involved the cancellation on contracts resulting in large payments to the facilities by the SADF at the time of privatisation. In terms of the privatisation agreements all SADF contracts with Delta G were to be terminated by 31 August 1991. This raises a question about the SADF contract to manufacture 1000kg of MDMA (ecstasy) in 1992 and 1993. Knobel also referred to much research having been done on AIDS at Delta G.

Knobel claimed to have no knowledge of Basson, Mijburgh and Swanepoels' interests in companies outside of the official fronts, nor of their interests in companies related to the project but not officially part of the project. He also stated that he should have known about these business interests.

Knobel told the court in detail of all the inquiries that had been launched into Basson's affairs including the investigation by the Office for Serious Economic Offences and a series of internal SADF inquiries. In each case when Knobel was required to provide answers to questions about the project and Basson's activities he had turned to Basson to provide the answers, trusting him implicitly.

On Wednesday 17 November, just three hours into court proceedings the security at the Pretoria High Court received a bomb threat, the same phone call was made within a few minutes to the Office of the Judge President, Bernard Ngoepe; the high court switch board and the Head Office of the Justice Department. The caller said that three bombs had been placed on different levels of the court building and would be detonated if the prosecution of Dr. Basson did not stop before noon. The court was evacuated and the bomb disposal unit brought in to search the building. While the search was underway a further call was received from the same person stating that the occupants of the building were still standing too close to the building and would be injured in the blast. No bombs were found.

Court resumed at 2pm with continued testimony from Gen. Knobel. Knobel testified about the answers he had provided to the Office for Serious Economic Offences admitting that although the OSEO had instructed him not to ask Basson for answers, he had done so since Basson was the only person who knew the answers to the questions posed. These related to companies that Knobel had no knowledge of such as Intramex and Wisdom Erf 82.

Knobel also admitted that although he was Basson's superior in respect of Project Coast, from March 1981 to December 1989, Basson reported to the head of Special Forces on operational matters. Though responsible to the CCC on all aspects of Coast, for operational application of the products made under the project Basson got his orders from Magnus Malan, the SADF chief, the head of Special Forces, Chief of Staff Intelligence, the police commissioner, head of the security police or the head of National Intelligence. The CCC merely "noted" such operational use.

Knobel went on to explain what has become known as the 'Croatian deal'. In terms of this agreement Basson was to procure methaqualone from certain Croatian officials, including the Minister of Energy Affairs in 1992. It would appear from Knobel's testimony that the substance was indeed transferred to South Africa and that two of the four officials involved in the transaction received payment. However the deal then went wrong and the intermediary assisting the South Africans, Jurg Jacomet, was arrested and his accounts frozen. Basson was later arrested in Switzerland when he attempted to intervene and to get the money back. It is significant that the substance was procured a few months before it was supposed to have been destroyed in January 1993.



Basson's arrest in Switzerland was related to his involvement with a Danish Intelligence agent in the interception of fraudulent Vatican bearer bonds, supposedly intended for the purchase of weapons for Croatia. Basson was arrested when he attempted to cash the bonds at a Swiss bank.

## **Trial Report: Seven**

Friday morning saw another bomb threat at the Pretoria High Court. Once again the threat came from a man stating that if the prosecution of Basson did not cease the bombs would go off. Meanwhile a few blocks away Blinkwater Van Rensburg was due to appear in the magistrate's court on connection with the earlier bomb threats. The magistrate's court too received a threat. For some hours the Pretoria CBD was virtually brought to a standstill. This prompted Basson to hold a press conference in which he appealed to those issuing the threats to stop.

The prosecution went ahead after no bombs could be found on the premises. The former Surgeon General, Gen. Niel Knobel, continued to give testimony throughout the week.

Knobel gave evidence on the destruction of the drugs and chemical agents, which allegedly took place in January 1993. The destruction of the agents followed an instruction by the defence minister, Gene Louw, to stop all work on irritants and incapacitants. Louw was briefed on the CBW programme on January 8, less than a week before the foreign affairs minister was due to sign the new non-proliferation treaty. He was told what stocks of chemicals were on hand and what progress had been made with the new-generation teargas.

Louw ordered that defensive projects - such as procurement of protective clothing by Armscor - go ahead and that the SADF not declare that it had CR - also known as pepper gas - (which in terms of the treaty may not be used in a war situation, though it may be applied in riot situations, provided it has been declared, and in limited quantities). At a CCC meeting on January 29, 1993, in Cape Town, Basson reported that the chemicals had been destroyed, though not entirely as ordered. It appears from the documentation and from testimony in court that all samples that were taken from the drums allegedly thrown in the sea, had been taken in Basson's presence or on his instruction, and in some cases had been taken by him and handed in for analysis at a later stage.

Knobel explained that 1 000 kg of Product M (methaqualone) specified on the destruction certificate included the 500kg received from Croatia just two months earlier. The 912,5kg of BX was the MDMA, 37kg of Product C was cocaine - which had at one time been seriously considered as an incapacitant, but found wanting and not been further developed. The BZ was also a "potential" incapacitant. Knobel was not able to identify 1kg of P, which also appeared on the certificate.

Knobel testified extensively about the structures of authority of the Project and it was noted that a National Security Management System meeting in 1987, attended by Magnus Malan, Adriaan Vlok, minister of law and order at the time, police commissioner Johan Coetzee, security police chief Johan van der Merwe, NIS director-general Niel Barnard, Knobel and SADF chief of staff operations Van Loggerenberg, had been briefed by Basson on potential riot control methods, including the New Generation Teargas (CR or pepper gas). The Minister of Defence, Magnus Malan told the meeting that if any branch of the security forces needed the product, they should contact Basson directly. He would also be able to advise them on the most effective use of the NGTG and about protective measures to be taken.

Knobel did confirm during testimony that there had never been any authorisation for the encapsulation of any of the incapacitants.



Knobel was questioned about the destruction of the project documentation and the attempts to capture the information on optical disks. It was revealed that on January 7, 1993, a ministerial decision was taken that Project Coast's technology and research should be captured on CD-Rom, and all paper documents destroyed. The disks were to be handed to Knobel for safekeeping, lest the information ever be needed again. Basson was to personally supervise the transfer of technology and would be assisted by Dr Cobus Bothma, as well as the managing directors of Delta G Scientific, Roodeplaat Research Laboratories and scientists from both companies. Nowhere within the SADF lay the capability for this task, so, on Basson's recommendation, Data Imaging (a company owned by Philip Mijburgh) was contracted to do the work. The job cost the state some R600 000.

At a CCC meeting in January 1994, Basson's successor, Colonel Ben Steyn, certified that the work had been completed, the documents destroyed as ordered under Basson's personal supervision, and the disks handed to Knobel. The disks were alleged to contain the full record of Project Coast and had to be preserved "at all costs" on orders of the Defence Minister. Basson personally told Knobel all the paper documents relating to the project had been destroyed. At an unspecified date after this the American authorities reportedly showed an unwelcome interest in the disks, requesting access to them. President de Klerk refused this request, and the NIA then ordered that security surrounding the disks be stepped up even further, since they were a potential target for espionage. When Basson was arrested in January 97, Knobel was asked to evaluate the documents found in two steel trunks seized by National Intelligence. He and in some cases, Ben Steyn, scrutinised the documents, and Knobel soon realised that the bulk of them contained highly classified technological and scientific details related to Coast.

The fraud charges against Basson were also raised. Knobel explained that Chemical Agent Monitors had been needed by the troops on the Angolan border who had reported the use of strange smoke bombs. A British company, Graseby Ionics, had developed CAM, which was apparently so effective that they had not even notified their NATO allies that they had it. Basson, with the help of a collaborator at the factory and a senior CBW scientist, had been able to acquire the 25 CAMs as well as 150 portable detection systems. Payment had been made via RL Buffham to ABC Export. Unfortunately, the first delivery had been detected by British Intelligence and payment for the final consignment had to be made via a different route. R200 010 had been paid to CSD in England and CHF75 000 paid to Dr Chu for services rendered, including a viability study for an RRL marketing arm in Europe, as well as research on peptide synthesis in Europe, specifically the companies, individuals and organisations involved in the process, which led to contact being made with Medalfa in Germany, which later supplied Coast with peptides. Basson had supplied this information to Knobel after inquiries.

Monday 22 November 1999: Knobel testified about the protective clothing that he had understood had been purchased under the auspices of the project. It became apparent through the prosecutions questioning that Knobel had not been aware of the procurement and payment channels that Basson had used. The purchase of a peptide synthesiser for the project was also raised. It emerged that the Swiss national, Dr. David Chu, owner of Medchem Forchungs, was to assist in the purchase of this equipment and that Basson was to use his East German contacts as well. It emerged later that an Iranian who had assisted the South Africans on a number of occasions was also to be involved in the deal.

Tuesday 23 November 1999: Knobel told the court that although Project Coast security was substantially no different from any other top secret SADF project, it differed in one important respect and that was that Basson was entirely responsible for decision making about the daily, weekly and monthly running of the programme. The Co-ordinating Control Committee did not want to know which individuals or countries Basson dealt with, or even details of foreign bank accounts used. The important thing was that foreign agents and suppliers were never to know the SADF was involved. Handling of funds was crucial to the project's security. Foreign intelligence services would easily enough have been able to make the link between a huge outflow of money from South Africa and a specific supplier, unless the deals were well disguised. Knobel acknowledged that the SADF, like the SAP and other State departments,



routinely used bank accounts in the names of friendly foreign nationals for secret projects, and said the entire procurement process, as well as the moving of funds, was largely left to Basson - provided he operated within the broad guidelines laid down by the CCC. The CCC understood that Basson's activities might include having to lie, steal and bribe officials.

Knobel told the court that the SADF had both moral and practical obligations to protect foreign collaborators, and that there would have been no problem if money from the project fund was used to help them provide a plausible cover story. If documents were created to back up the cover story, that would also have been acceptable. Roger Buffham was used as an example. As a former MI6 member (which Knobel says he never knew) Buffham had invaluable connections in the Russian and East German intelligence communities and was also able to supply equipment to the project.

Project security was so successful, Knobel said, that in 12 years, not a single leak occurred. Indeed, both the American and British secret services had been stunned that the project had been run for so long without any foreign intelligence service picking up the slightest hint about its existence. Even the National Intelligence Service only learned of Coast's existence at an advanced stage of the project, Knobel claimed. This appears to be in contradiction to the earlier evidence that Basson had briefed the NIS in 1987.

Countries that had assisted in procurement included Russia, Czechoslovakia, Croatia, China, the UK, East Germany, the US, Iran and Libya, though Knobel said he was not aware of Libya's contribution.

Despite the vigilance of British and American banks in regard to money laundering, the financial transactions for Coast had never aroused suspicion, and until the Croatian deal, no project funds had ever been lost.

The defence put it to Knobel that the American secret service had met Basson through NIS in order to establish the CBW capabilities of Iran, which the defence claimed, proved how extensive Basson's CBW knowledge is. Knobel said he was aware of such a meeting, following the 1994 briefing on Project Coast to FW de Klerk and Nelson Mandela, but he could only remember that the Americans had questions about the Russian programme.

Knobel testified about the chain of command and told the court that Basson had taken orders directly from Gen. Kat Liebenberg (deceased). The defence put it to Knobel that not only did Basson carry out his duties as project officer of the CBW programme but, following orders from Liebenberg, had also been responsible for establishing Special Forces agents abroad.

Later in the day, in response to questions about the South African Medical Service, Knobel revealed that he had personally been involved in the large-scale supply of medical supplies to Unita. Prompted by the defence, he said huge amounts of critical medicines were kept in stock by SAMS at all times, since they would have to supply drugs to the entire country, in the event of a national crisis. As these drugs approached or reached their expiry date, instead of being destroyed, as law requires, they were shipped to Unita in bulk. The SADF also had an agreement with major pharmaceutical manufacturers that instead of destroying their expired stock, it would be given to the military, and this, too, found its way to Unita - and Renamo. Medicine sent to Unita had, however, been repackaged by members of 7 Medical Battalion, to disguise the source (pharmaceutical companies and SADF) as well as to provide user-friendly dosages with precise instructions for use.

Basson's reappointment was dealt with by the defence team, which claimed that Basson's reinstatement had been at the request of the British and the Americans and had been personally dealt with by then Deputy President Thabo Mbeki.

The matter of the privatisation of the front companies, Delta G Scientific and RRL was also dealt with in some detail.



Wednesday 24 November 1999:

Although fraught with exchanges between prosecution and defence, Knobel continued to testify. On matters related to the payments made by Basson on various occasions, Knobel told the court that the increasingly elaborate and complicated explanations offered by Basson for financial transactions, bore scant if any resemblance to the responses given in writing to the Office for Serious Economic Offences. Knobel made the court aware that if the current explanations are the correct ones, Basson should have used them in answering OSEO. Having not done so, he had in effect tainted Knobel's own evidence, offered to OSEO, the Truth Commission and indeed the High Court, since Knobel had accepted the answers provided by Basson as being truthful.

The defence told the court that much of the work related to chemical agents was done, not at Delta G Scientific, but at laboratories built at the Special Forces Headquarters. These labs were under the control of EMLC until 1986, after which - 1988, 89 and 90 - it was used, the defence claims, for the highly sophisticated tests required for weaponisation of the incapacitants. No pyrolytic or pyrotechnical tests were carried out at Delta G - all tests to find the best delivery system for the incapacitants were done at Speskop. Knobel said that he was unaware that tests of this nature were conducted at these facilities. At one stage the labs were destroyed in a fire and, according to the defence, the equipment was replaced with the assistance of Roger Buffham.

Testimony continued about the purchase of the Chemical Agent Monitors and the peptide synthesiser.

Court was adjourned until Friday 26 November when Mike Kennedy of the National Intelligence Agency and Etienne Lamprechts, formerly of the Office for Serious Economic Offences, will testify.

The prosecution will only resume re-examination of Knobel once they have examined the transcripts of the evidence. There has been some delay in this regard since the prosecution team does not have sufficient funds to purchase the daily transcripts from the transcription services.

## **Trial Report: Eight**

On Friday the court heard evidence from an unnamed National Intelligence Agency agent. The agent told the court how the surveillance of Basson's house on the day of his arrest in January 1997, had led to the discovery of the trunks of project documents found at the house of a close associate of Basson, Samuel Bosch. A day later, during the cross examination of Gen. Knobel, the defence alleged that these trunks had been packed and stored at Bosch's house by Philip Mijburgh in April 1995, while Basson was in Libya.

During the testimony of another National Intelligence agent from the counter intelligence unit, it was said that the scientific value of the documents found in the trunks was assessed by General Niel Knobel and Colonel Ben Steyn, Basson's successor at SAMS. Later, they were also evaluated by Dr André Immelman (formerly the head of research at RRL) and Dr Daan Goosen. The intelligence agent told the court that some four months after Basson's arrest, on Saturday, May 10, 1997, he was called to the Sunnyside offices of attorney Ernst Penzhorn, where he and another senior NIA member were handed another two trunks of documents. These were found to contain classified documents relating to the SADF and Project Coast, various documents relating to Delta G Scientific, Roodeplaat Research Laboratories, Protechnik, Technotek, Sefmed, Inffadel, Medchem Consolidated Investments, Global Management, Contresida and Data Imaging, personal documents and foreign currency in various denominations in a number of plastic bank bags. They found 4 000 Spanish pesetas, 26 000 Italian lira, 50 Finnish marks, 200 Seychelles rupees, 125 Russian roubles, 25 Netherlands guilders, 220 French francs, 1,08-million Polish zloty, Austrian shillings and coins from a large number of countries, including America and the Cayman Islands. A single Libyan



bank note was also found. He had found 205 reports related to 177 biological research projects, which included details of technology, names of scientists and toxins.

The cross-examination of Gen. Knobel continued on Monday 29 November with Knobel being asked to answer questions about the acquisition of a peptide synthesiser by the project. Defence counsel for Basson, Adv. Jaap Cilliers, put it to Knobel that the peptide synthesiser allegedly bought by Project Coast and installed at the Speskop laboratory was not, as Knobel said he had been led to believe, needed for AIDS research, but for research into "one of the most dangerous aspects of chemical warfare".

The equipment, he claimed, could be used to alter brain and motor functions - and the results would be long-term, if not permanent. For example, according to Cilliers, by tampering with brain peptides, the aggression level of a normally placid person could be increased to above-normal levels, turning the subject into an "uncontrollable monster". Conversely, a highly aggressive person could be turned into a meek and mild one. The potential of this research, according to Cilliers, was the "biggest single fear" of the international community in respect of CBW, as the implications for the human race are terrifying should the process be abused.

That, said Cilliers, was the background to Project Coast getting rid of the peptide synthesiser (by swapping it for 500kg of methaqualone in the 1992/93 Croatian deal). Following the 1991 political decision not to proceed with weaponisation of the incapacitants, and by implication halt all "offensive" research, there was no longer a need for the synthesiser. Knobel has no knowledge of research into the field of permanent altering of brain functions, and does not remember this motivation for the swap. He was also unable to tell the court who had been responsible for the AIDS research that he believed was being conducted at Delta G, or what the research entailed.

During both cross-examination and re-examination Knobel confirmed that he had not been aware of the nature of research conducted at the front companies.

Payment of 130 000 Swiss Francs to David Chu, which Basson explained to OSEO was for prostaglandins, Cilliers now says was actually to obtain a substance called Varsu Active, a chemical used to stretch arteries - and used, by some countries, he claimed, as an incapacitant. He told the court that the drug causes a sudden and dramatic drop in blood pressure, which in turn causes recipients to collapse. Project Coast had acquired the substance for possible addition to the CR - but tests showed it caused the lungs and trachea to contract to a life-threatening degree, so the research was halted. As a precursor to the Croatian methaqualone deal, Cilliers says, a large quantity of BZ - a derivative of the other incapacitants researched by Coast - was bought. Knobel said he was aware that in January 1993, 1 000kg of BZ was on Coast's stock books, but that the Croatian deal, approved in October 1992 by the CCC, was only in respect of methaqualone. According to Cilliers, the deal was for chemicals and technology, acquired through the offices of Swiss intelligence chief General Peter Regli and Swiss agent Jurg Jacomet, later investigated by Swiss authorities for various other deals, including some involving nuclear weapons/technology. Knobel believed the deal was for methaqualone only, and with Croatian dissidents.

On Wednesday 1 December National Intelligence Agency deputy director-general Mike Kennedy testified. A 34-year veteran of intelligence work, he has been involved in counter-intelligence and counter-espionage regarding weapons of mass destruction since the 1970s, when South Africa first developed a nuclear capability. During the 80s, the focus of his work shifted towards CBW.

Although the NIA did not receive its first official briefing about Project Coast until the end of 1993, Kennedy said the agency was aware of Coast's existence from the mid to late 1980s. This had come about as the result of a number of people being detained in SA as foreign intelligence services tried to obtain information about South Africa's CBW programme through espionage. The NIA knew enough to brief FW de Klerk in November 1989 - one month after he became state president - about the existence of the CBW programme and about



allegations of abuse, even though at that stage, the programme had not been officially disclosed to the NIA.

During both the initial November 1989 briefing of De Klerk, and another in January 1990, De Klerk gave Kennedy instructions to investigate the alleged abuses in Coast.

In the line of duty, Kennedy has been thoroughly briefed by CBW experts attached to foreign intelligence sources, mainly defectors from the former USSR.

In cross-examination, Kennedy confirmed that he was aware Basson had "close contacts" with the Libyan intelligence community, and that some members of this service had stayed at Basson's home for some months. He did not know, but could not dispute, that some Libyan intelligence agents had also stayed with Basson's mother for a "lengthy period".

Kennedy is also aware that at one stage, according to Jaap Cilliers, Basson brought a "high-level" Libyan into South Africa to visit Nelson Mandela. However, he has no knowledge of the claim that Basson bypassed passport and immigration control in the process.

Kennedy acknowledged that the Americans and British who were briefed on Project Coast were "amazed" at the level of sophistication Basson told them the programme had attained. They had judged it to be second only to that of the former Soviet Union, not in size, but in sophistication and level of scientific advance. Kennedy agreed that the aspect that most amazed them was Basson's briefing on the research done on, and his personal knowledge of, the mood/personality altering brain peptides.

The defence placed on record that they do not dispute that the 4 000 red and black capsules seized by Sanab during the three sting operations in January 1997 that culminated in Basson's arrest, contained MDMA.

The court is now in recess and the trial will resume on 24 January 2000.

## **Trial Report: Nine**

The report covers the period 24 January 2000 - 28 January 2000 (Monday to Thursday)

After a seven-week recess, the trial of Dr. Basson resumed in the Pretoria High Court on Monday 24 January. Forensic auditor, Hennie Bruwer, was the first witness. Bruwer is expected to give evidence in chief for at least two weeks on the 400-page report he compiled following a six-year probe into alleged financial irregularities under the aegis of Project Coast. Bruwer's report is supported by documents relating to the companies allegedly established by Basson.

Bruwer told the court that investigators recovered evidence from American lawyer David Webster's office, despite the normal client-attorney privilege rule, and notwithstanding attempts by Webster, through the American courts, to prevent them gaining access. Details of these court actions were not provided. The American courts decided in favour of the investigation team and compelled Webster to open his files. Many of the documents retrieved contain notes and instructions in Basson's handwriting, and appear to be explanatory and briefing notes to Webster during legal consultations regarding the establishment companies.

Bruwer said that he had found that many of the companies allegedly established by Basson were used solely as a conduit for the transfer of funds and had no assets. It was claimed that Basson was a shareholder in all the companies listed in the indictment .

An unsigned document, found in Webster's files, providing the background to the WPW Group of companies was presented in court. The document states that the WPW group was tasked by the Southern African Health Authorities with the establishment of clinics in a



number of African countries. It also states that the group was involved in drug development. The report indicates that WPW had interests in the following areas:

1. Medical and Pharmaceutical development.
2. Data Management and Systems Development (in this regard mention is made of Data Image Pty Ltd, the company referred to in the 1998 TRC hearing into chemical and biological warfare as being responsible for capturing all technical project information on optical disk).
3. Aviation
4. Financing and Investments
5. Property Investments
6. Leisure related activities
7. Trading (including close trading links having been developed with North African countries).

Notes, handwritten by Basson found in David Webster's possession relating to off-shore companies and companies registered in South Africa were entered into the record.

Documents found by Bruwer indicate that on October 29, 1989, before the privatization of Delta G Scientific was completed in August 1991, Medchem Consolidated Investments held 75% of the Delta G shares, reduced to 51% on completion of privatization. How MCI came to be the majority shareholder in a declared SADF front company six months before the April 1990 launch of the privatization scheme has not yet been explained.

Another note breaks down the shareholding of Protechnic as follows: 55% WPW Investments, 30% Charburn, 15% Jan Lourens. Lourens is named as the MD with Bernard Zimmer, Wynand Swanepoel and PW de Jager as directors. There is an additional note which says: NB: Wouter Basson owns one third of Charburn. Bruwer testified that the shareholding of Protechnic changed several times. He could not establish whether or not the proposed merger took place, but confirmed that Protechnic was subsequently sold to Armscor.

Bruwer testified that the Jetstar, (which the defence claimed last year had been purchased with funding transferred to a European account from Project Coast and earmarked for the purchase of the peptide synthesizer) was sold in December 1995 (three years after Basson was asked to resign from the military and two months after his reappointment to the SADF) for U\$2-million, through David Webster. Bruwer found no evidence of a connection between the Jetstar and the peptide synthesizer deal.

Throughout the week the structure of the companies mentioned in the indictment and financial transactions in which these companies were involved was dealt with in great detail. The prosecution presented documents and statements by directors of the companies to support the documentation. On Tuesday the defence lodged an objection, pointing out that the Bruwer report is based on hearsay (in respect of statements taken from Zimmer, Van Remoortere, Antoinette Lourens and Webster, amongst others) and that the prosecutor would be compelled to call these people as witnesses if the defence were to accept the supporting documents. Otherwise, the defence warned, all the documentary evidence will be inadmissible. The defence had agreed that the documents be presented during Bruwer's testimony on condition that the State prove their authenticity by means of testimony from the parties directly involved. The defence said that until this was done they would dispute every document. On Friday the court was informed by the prosecution that key witnesses were not prepared to come to South Africa to give evidence and that international judicial channels would have to be pursued.

Much of Tuesday's evidence involved the perusal of the exchange of correspondence between Basson and Webster regarding fund transfers and the establishment of companies.

On Wednesday 26 January Bruwer testified that he had discovered a deposit, on June 16, 1989, of £22 101 into an account at Bank Indosuez, Luxembourg, held in the name of Wouter



Basson, on which he and his wife at the time, Claudine van Remoortere, both had signing powers. This is the first time testimony has been presented to indicate that funds were placed in accounts held by Basson personally. Bruwer alleged that the money formed part of the R5,5-million transferred from Project Coast in April 1988 to what was believed to be the Luxembourg account of ABC Import/Export, and which Basson claims was used to pay for the 25 Chemical Agent Monitors bought in two batches by Aubin Heyndrickx and Roger Buffham, and the 150 portable field detection kits.

During the detailed examination of the flow of funds the defence indicated that there was no intention on their behalf to dispute the flow of funds, merely the purpose thereof and that detail of the type entered into was therefore unnecessary. Justice Hartzenberg responded by supporting the defence and instructed the prosecution to confine itself to the report prepared by Bruwer and not to deal with the supporting documentation unless absolutely necessary. The Judge made it clear that the matter in dispute is whether Basson had acted in accordance with his military orders.

Bruwer testified that the funds referred to the first charge against Basson were not used for the benefit of Project Coast. He said that he could find no evidence of delivery of any scientific equipment, despite assurances given to the Office for Serious Economic Offences by both the former Project Manager, Gen. Knobel and project external auditor Pierre Theron that this is what the funds were used for. Bruwer claims to have established that neither the auditor, Pierre Theron nor Brigadier Hein Pfeil of Chief of Staff Finance made any attempt to verify the purchase or inspect the merchandise.

Evidence presented by Bruwer on Thursday indicated that WPW Investments Inc had several accounts. One, opened in London in 1989, gave individual signing powers to Basson and David Webster. Bank documents show that the beneficial owner of all assets deposited in the account is Mr. Wouter Basson, Pretoria, SA. Evidence was also presented that WPW had a US dollar account and another specifically for Hong Kong dollars at Credit Suisse in Zurich.

The case will continue next week with the testimony of Bruwer.

## **Trial Report: Ten**

The report covers the week from Friday 28 January - Friday 4 February

Forensic auditor, Hennie Bruwer remained on the stand for the week during which time detailed evidence of the forensic audit was presented.

Financial transactions involving Antionette Lourens, David Webster and Roger Buffham were the subject of much of the testimony and evidence presented on Friday 28 January. Documents presented in court indicate that Buffham's company, CSD intended developing security products during 1987. Reference was made to payments into the CSD account. Correspondence between Webster and Basson presented in court revealed Webster's concern that Buffham did not have good business sense.

Details of financial transactions involving accounts held by Charles Van Remoortere were also presented. Bruwer testified that Van Remoortere's accounts were used on occasion to launder SADF funds for various secret projects. He referred to deposits made by the military from company, Executive Services, into an account held by Van Remoortere which ultimately made their way into the account of Contemporary Systems Design, Buffham's company in the UK.

As reported last week, Roger Buffham, David Webster, Bernard Zimmer and David Chu have refused to come to South Africa to testify in the trial. The prosecution is pursuing international judicial channels in order to get their testimony on record.



Bruwer gave testimony in relation to Charges 11, 12 and 13 which refer to the alleged purchase of DNA probes, peptides and the peptide synthesizer.. Bruwer found that the U\$3,2-m involved was partially used by WPW Investments, Cayman, to provide share capital for Medchem Forschungs AG (the Swiss company owned by David Chu), but the official Coast audit documents show that the authorization was for an "industrial scale" peptide synthesizer to be bought in Switzerland. On June 22, 1989, however, a letter from Basson informed the Co-ordinating Control Committee (CCC) of Project Coast that the synthesizer deal was not going according to plan.

A subsequent letter told the CCC that the synthesizer purchase would not take place at all at this time, but a quantity of the peptide Thymus could be obtained immediately. The Surgeon General, DP Knobel therefore authorized Basson to use part of the funds previously transferred abroad to make these purchases - and for the Blackdale account to be used to pay the supplier, Dr David Chu. This change of plan led to a complicated series of transactions which ultimately saw the SADF providing a performance bond for a three-way deal to sell NBC suits to a company called Copperdale, which in turn would sell them to a company called Tagell - of which the managing director was Mr. Hashemi, identified by the defence last year as the Iranian secret agent who could supply the peptide synthesizer. The NBC deal fell through and an amount of R101 000 was paid back into the Coast funds in November 1989 as interest on the performance bond. Bruwer claimed during his testimony that the NBC suits deal was a ruse and that no such protective clothing was ever to be sold.

The court also heard that in December 1989, Medchem Forschungs entered into a contract with Medchem Contract Research Company, in which Chu and Basson were the principals. Peter Matthys, previously mentioned as a director of Medchem Forschungs, acted as the attorney for MCRC, which was to provide "contractual research and charts in the fields of chemicals, pharmaceuticals, agriculture, food research and hospital supplies". The research unit to be used was Roodeplaat Research Laboratories.

Relating to Charges 14 and 15, Bruwer found that R12-m of the money paid to Medchem Consolidated Investments by the SADF for cancellation of contracts at the time of Delta G privatization, found its way to the account of Medchem Forschungs.

Charges 14 and 15 center on the R12-m paid to the Swiss account of Medchem Forschungs in April 1990, officially for payment of the research contract with RRL. Bruwer's investigation has shown that the funds were placed on a six-month fixed deposit and used as security for a U\$2,3-million loan to WPW Aviation Inc and used as partial payment for the Jetstar. In a letter authored by David Webster, he claims that the WPW group of companies owned a King Air aircraft, which was leased to the United Nations for use during the elections in Namibia and further, that according to Dr Basson, the Jetstar "would be used for medical projects in Africa."

On Monday 31 January and Tuesday 1 February the court heard further details of the peptide synthesizer deals and the deal allegedly involving the purchase of methaqualone from Croatia in 1992. With regard to the peptide synthesizer, Bruwer told the court that he could find no evidence of such equipment having been purchased. The Croatian deal led to the auditor general having to write of an amount of R7million lost on the deal. Bruwer found no evidence that the 500kg of methaqualone from Croatia ever existed, nor that it was delivered, as claimed by Basson, in late November/early December 1992. Gen. Knobel testified last year that the methaqualone purchased in Croatia was destroyed in January 1993, and was reflected in the documents relating to the destruction of chemicals.

Evidence relating to trust funds established by Basson was also heard.

The court did not sit on Thursday 3 February but resumed today to hear details of the privatization of the chemical research and production facility, Delta G Scientific.



On Monday 7 February court opened with an application from the prosecution for an adjournment. The state prosecutor, Adv. Anton Ackerman requested the adjournment in order to give the Director of Public Prosecutions time to study the official transcript of Friday's hearing so that he can decide whether or not to bring an application for Judge Hartzenberg to recuse himself from the case. The judge told the court that he had discussed the matter with the Deputy Judge President, Justice Eddie Stafford, who felt that a week was an unnecessary delay and that the decision should be made sooner.

Defence counsel, Adv. Jaap Cilliers said he would vigorously oppose an application for recusal, as there appeared to be no basis for it "except for certain media reports over the weekend" which, Cilliers claims, he did not see. He said could see no merit in the State's proposed application, which, if granted, would seriously impinge on his client's constitutional right to a speedy trial.

If the Director of Public Prosecutions indeed decides to apply for a recusal, Hartzenberg himself will hear the recusal application arguments, and will decide as to whether or not he is replaced. In the event of the Judge rejecting the application, the trial will continue with Judge Hartzenberg presiding. At the end of the trial, once judgement is pronounced, and if it were in favour of the accused, the prosecution could appeal using the request for recusal as a basis for the appeal. The law does however, make provision in extraordinary circumstances for his decision, at this stage, to be referred to a full bench for review.

The implications of a successful application, in other words if the Judge does recuse himself, are a likely delay of several weeks, or possibly months while a replacement is found. Pretoria judges are already assigned to cases at least for the rest of the current term, and in some cases, even for the next term. The case would start again with all the original charges and the application for the dismissal of some of those charges, since a different judge might hold different views on the question of jurisdiction and even, possibly, the Namibian amnesty. Likewise, the admissibility of the bail application record would have to be dealt with anew. All the witnesses who have already testified would have to be called again. The cost implications are enormous.

The long-term implications are equally serious. Legal precedent exists for a mid-trial recusal to be declared wrongful by the Appellate Division. In other words, if Judge Hartzenberg steps down and his successor convicts Basson, and the defence takes it on appeal and the appeal court finds that grounds for Hartzenberg's recusal were not justified - the conviction can be overturned on those grounds alone.

The trial will resume on Wednesday 9 February 2000 to hear the decision of the Director of Public Prosecutions, Silas Ramaite.

## **Trial Report: Eleven**

This report covers the week 7 February - 11 February

As previously reported, the state prosecutors requested an adjournment on Monday 7 February to allow the Director of Public Prosecutions time to study the official transcript of Friday's hearing so that he could decide whether or not to bring an application for Judge Hartzenberg to recuse himself from the case. An adjournment was granted until Wednesday 9 February when the prosecution announced its intention to bring such an application. The court adjourned again until Monday 14 February when the prosecutions application will be heard. If the state's application is to be successful they will have to show a reasonable suspicion of bias on behalf of the judge.

## **Trial Report: Twelve**

This report covers the period Monday 14 February to Thursday 17 February.



On Monday and Tuesday the court heard the state's application for the recusal of Judge Hartzenberg.

Chief prosecutor Anton Ackerman made the point that the decision to force Hartzenberg to step down had not been taken lightly, and enjoyed the full support of both National Director of Prosecutions, Bulelani Nguca, and his deputy, Dr Jan D'Oliveira (who initiated the prosecution of Basson three years ago while he was still attorney-general of the Transvaal Division).

According to the prosecution, the benchmark by which a judge's impartiality is measured in SA courts is the ruling of the Constitutional Court in the State v SA Rugby Football Union. In a nutshell, this means that the public is entitled to the assurance that a judge is impartial, and should not hear about any circumstances that could compromise that impartiality. The right to equal justice before the law was premised on a fair, impartial and unbiased consideration of the case before court, and even a "reasonable apprehension of bias" was grounds for recusal.

The state raised issues relating to:

1. Prior professional interest in the case and expression of a prior opinion. (Hartzenberg was involved in one of the media applications for Basson's bail hearings to be in open court, and eventually ruled that this was not in the national interest, though he did subsequently rule that the transcript of the Ecstasy bail hearing could be released to the media, heavily censored according to Basson's own guidelines)

2. A perception which was based on a series of events during the proceedings including inter alia, the admissibility of certain evidence; rulings made by the Judge and his comments.

The state argued that the timing of the Judge's ruling on the inadmissibility of the record of Basson's bail application showed bias because the ruling was made before the accused had pleaded. This record was a key piece of evidence for the state.

The state also argued that through denying the prosecution sufficient time to research English law in relation to jurisdiction issues, he had shown bias. This research, the state argued, was essential to the matter. Various other incidents were cited by Ackerman in making his point.

The only example of bias used by Ackerman which did not take place in open court, relates to the abortive attempt last August to seize Basson's assets. At the time, allegations were made in an affidavit by Basson that Ackerman and Pretorius had acted in a less than transparent manner towards the defence team. When the matter arose in Hartzenberg's chambers, he evidently "burst out laughing" about the asset seizure reversal and refused - when the defence objected to its submission - to accept an affidavit made by Ackerman refuting the defence claims that he and Pretorius had been obstructive/non-cooperative.

During discussion of the states objections to comments made by the Judge during the proceedings, Judge Hartzenberg noted that during the some 10 years of the existence of the Project R380 million had been spent on its operation. The state, in turn, stated that the alleged fraud computes to R36-million, though the lump sum allegedly misappropriated is R46-million, the balance of R10-million having been stolen through the unauthorized sale of NBC suits rather than fraudulently obtained.

The Judge gave a ruling on the recusal application at 2pm on Wednesday afternoon, dismissing the application by the state as frivolous, mind-boggling, absurd and "unfounded in its totality".

In stating his reasons for arriving at that conclusion, Judge Hartzenberg presented his understanding of the case thus far. He said that, as he understood the fraud section of the case, it was common cause that Basson was ordered to develop both an offensive and defensive CBW capacity for South Africa. The project was top secret and managed by the



SADF's Co-ordinating Control Committee, on which served a handful of the most senior military officers. The need to know basis was religiously enforced and Gen. Knobel had testified that if it took theft, bribery or any other normally unacceptable means to acquire what was needed for the project, Basson was to get the goods. The CCC did not want to know where or how he did so, nor the names of people or countries involved, when, how and to whom payments were made.

To this end, Basson had been issued with three false passports by the SADF to support his cover as a wealthy international businessman with chemical interests.

Knobel testified that the SADF would have had no problem if Basson had been required to pay collaborators or spend money to help them create plausible cover stories in their own countries, in exchange for their assistance. For example, share capital could be bought, backed up with flamboyant correspondence to support such a cover story.

Gen. Knobel also testified that Basson carried out other tasks for the SADF, not connected to Project Coast, of which he knew no detail. Countries mentioned in this regard have been the US, UK, Belgium, Luxembourg, Poland, Libya and Croatia.

Gen. Knobel testified that Project Coast was an unqualified success, with not a single security breach over its 10-year lifespan. The SADF had not an inkling of funds being abused until 1994 when questions were asked about the Croatia transaction. (Mention was not made of the mid-92 internal probe into Merton House, the first indication of alleged irregularities, or even the launch of the Office for Serious Economic Offence's probe in the early 1990s).

The proceedings resumed on Thursday 17 February with the continued evidence of forensic auditor, Hennie Bruwer. Bruwer testified at length about the sale of protective clothing (Charges 65,66 and 67). The 1990 sale was made from Project Coast's "secret" depot in Pretoria West by Regent International Trading Services to Technotek, which in turn sold the suits to Armscor - which procured them for the SADF. Armscor was unaware that it was not only buying property already owned by the SADF, for the SADF, but also that it was charged an inflated price, the suits originally having been manufactured by National Tents & Sails for R356 each. The second sale, in 1991, included stock taken from the SAMS warehouse, to which Armscor's "purchase" had been duly delivered.

Details were presented of the genesis and operation of the company Regent International Trading Services (RITS) during which it emerged that RITS was set up as a close corporation in January 1987. The first deposit into the secret RITS investment account was R827 200 on the date it was opened (19 October 1990). The source of this amount cannot be identified, but Bruwer believes it was Technotek. Four days later, another R1-m, also probably from Technotek, was paid into the account.

Additional deposits were R5,2-million which is identified as being from Technotek, R250 000 from BR Holdings, R229 965 from WPW Investments, R163 200 from sale of Krugerrands (the Merton House builder, Niel Kirstein, testified that Basson paid him in cash for 16/17 Krugerrands he wanted to sell in order to buy his son a horse) and R101 000 from an unknown source.

Payments from the RITS accounts from February to August 1991 include, R453 426 was paid in cash to Wouter Basson; R900 000 paid to the Aries Trust, R50 000 to Annette Versluis, R30 000 to Mrs B Basson (likely to be Dr. Basson's mother, Bronwyn), R16 000 to Dr M Blom (Basson's first wife), R100 000 to Wynand Swanepoel, R170 000 to Chris Marlow, R1,1-m to L Larson, the Merton House architect, and travellers cheques worth U\$3 000 in favour of Mrs E Oelofsen (believed to be the mother of Antoinette Lourens) in May 1991.

R3-m was transferred to the secret account of D John Truter and R3,8-m, in two instalments, to the Karko account, one of the official Chief of Staff Intelligence front company bank



accounts. By September 12, 1991, the RITS current account had been cleaned out and had a zero balance.

Earlier in the trial proceedings, it was put to Gen. Knobel under cross examination, that a large consignment of suits was "donated" to Unita by an unidentified foreign beneficiary, to be distributed by the South African Medical Services. At the time, the defence was not yet in possession of the dossier regarding the NBC investigation, and was not aware that the state had tracked the sale of the NBC suits at every stage, including details of the freight company that shipped the suits through Belgium to the Gulf during the 1991 war against Iraq.

Evidence of the forensic auditor will continue on Friday and into next week when cross examination will commence.

## **Trial Report: Thirteen**

This report covers the period Friday February 18 to Thursday February 24.

Forensic Auditor, Hennie Bruwer completed his evidence in chief on Friday 18 February. He provided details of a second, apparently unauthorised, sale of NBC suits (Nuclear, Biological, Chemical protective suits) to a Belgian company by the name of Seyntex. According to Bruwer, the consignment included suits that had been sold to Armscor some nine months prior to this deal. Bruwer told the court that these deals had taken place in 1991. Bruwer also testified that he had traced the proceeds from this sale, through the accounts of a series of companies, and found that some of this money had been used to purchase a house for Basson.

The court also heard that in May 1991, despite the fact that Knobel testified that the threat of a chemical attack had abated, a new contract was signed between D John Truter and Technotek for delivery of an additional 25 000 NBC suits over the next five years. By 1994, when President Nelson Mandela was briefed on Project Coast, the SADF reported having 20 000 NBC suits in its arsenal.

Although Bruwer had not been able to find all the documentation necessary relating to the WPW group of companies based in the Cayman Islands, nevertheless, he was able to say that by June 30, 1993, R86-million had gone through the various accounts of companies in this group. R66-m of this had originated from Project Coast funds (of which some R21,6-m was repatriated to Coast). The balance of R19,6-m could not be sourced by Bruwer.

Bruwer concluded his evidence by outlining the final financial situation of some of the companies in which Basson is alleged to have an interest. He testified that in all cases these companies showed a net loss at the end of the day.

Cross examination of Bruwer commenced on Monday 20 February with Adv.. Jaap Cilliers presenting argument to discredit his report. Adv..Cilliers also charged that Bruwer had prolonged his investigation for personal financial gain.

Adv.. Cilliers, put it on record that documents retrieved from the office of American attorney, David Webster, were false and misleading. Although he put it to the court that Webster had made a statement in which he described his relationship with Basson as a friendship, Cilliers went on to say that Webster was a "consummate perjurer".

Adv.. Cilliers raised the possibility that Basson was merely the South African contact for other 'principles' who required Webster's services. Given the sanctions against South Africa during the eighties, means had to be found to procure items in such a way as to disguise the purchaser, the SADF. Cilliers drew on a statement made by Webster in which he said that he had been introduced to Basson by Wilfred Mole who introduced him as a cardiologist and South African businessman who wanted to encourage investment in South Africa. Mole,



Cilliers told the court, was an expert sanctions buster who Basson had consulted to find out how to circumvent the international embargo. For this purpose, Cilliers claimed during the process of cross examination, most of the documentation found by Bruwer was false and had been constructed to present a particular picture of events to hide their true nature.

On Tuesday 21 February, Cilliers said that the chief purpose of the WPW Group, set up after Wilfred Mole introduced Basson to David Webster, was to facilitate the flow of funds from Project Coast to suppliers in such a way that their identities were protected. This was why the first three companies - WPW Inc, PCM Inc and Medchem Inc - were established in the Cayman Islands in 1986. At David Webster's recommendation, one account would be used for East Bloc suppliers, one for the Libyans and the third for "general" components. In other words, Basson's defence for all the deals conducted through the WPW group of companies, is that they were to the benefit of the unnamed 'principles' mentioned earlier.

Bruwer said that he had been unable to uncover any evidence showing that the WPW Group was set up or structured for the benefit of suppliers, it had been physically impossible to verify any purchases. The Special Force Headquarters Laboratory had been destroyed by fire, then dismantled by design. The chemicals allegedly obtained in Croatia had apparently been dumped in the ocean. No trace could be found of the 12 CAMs allegedly bought through Buffham, and SADF records never included the 45 000 NBC suits. In addition, all documents relating to Project Coast had been destroyed, so no invoices, delivery notes or other records were available. The only method of investigation had therefore been to trace the financial transactions through banks.

With regard to the NBC suits, Adv.. Cilliers argued that some of these suits, along with Chemical Agent Monitors, had been given to Unita and that it had been common practice that no records of these donations were kept. The defence said that they had consulted a Col. Schutte, the logistics officer in charge of Unita supplies from the end of 1986 to 1992, who told them that there was a "huge" internal problem in Unita's ranks following three genuine chemical attacks against them. According to Adv.. Cilliers, Schutte will state that the 50 000 Unita troops in the field were so panicked and terrified that all "the enemy" had to do was throw inert yellow smoke grenades to send the Unita troops scurrying into the bush, fleeing for their lives. Apart from the physical protection offered, it was thus psychologically essential that the SADF supply NBC suits to these men. Schutte also told the defence he had an annual budget of R300-million to supply Unita with everything from food and medicines to armoured vehicles.

The court was also told by Adv.. Cilliers, that thousands of troops had been issued with NBC suits during three continuous operations in Angola.

Cross examination of Bruwer continued on Thursday 24 February. During this time Cilliers explained that the proceeds from the sale of NBC suits were used to purchase proximity fuses needed by "the Army" which was weaponising CR in 120mm mortars for shipment to Unita. According to Basson, the mortars were weaponised "on the specific instructions" of the late General AJ (Kat) Liebenberg, and the weaponised mortars were dispatched to Unita by Military Intelligence.

Cross examination of Bruwer continued on Friday.

## **Trial Report: Fourteen**

This report covers the period Friday 25 February - Friday 3 March

The cross examination of forensic auditor, Hennie Bruwer continued on Friday 25 February. Bruwer reiterated during questioning that the reasons for certain transactions being put forward by the defence counsel could have been offered at an earlier stage when investigations were still on going.



With regard to Charge 13, the Blackdale-Copperdale-Tagell deal for NBC suits to Iran, Adv. Cilliers stated that the structure of the deal was "very strange indeed", but claimed that a deliberately inflated selling price was included in the false contract which was designed to hide the actual purpose of the deal, namely the purchase of the peptide synthesiser. The contract, drawn up by David Webster, who knew that the Iranians were involved in supplying the peptide synthesiser, structured the deal in a way that would protect them.

Other transactions too were done in such a way as to hide the original source of the funds, in this way he explained both charges 14 and 16 which relate to funds transferred to Medchem Forschungs and funds which were used in the purchase of the peptide synthesiser. These charges, along with charge 15 will only stand if the state can prove that the peptide synthesiser was indeed never purchased. Contradictory evidence in this regard has been presented to the court. The defence counsel also claimed that the peptide synthesiser was later swapped for Quinazoline (methaqualone), and the 500kg of this substance were then destroyed, as shown on the Military Intelligence destruction certificate, so if the 500kg of methaqualone existed, the peptide synthesiser must have existed too.

Adv. Cilliers also told the court that with regard to charge 18, which refers to the alleged transaction during which Basson was to have made a divisible guarantee available to two Croatian officials so as to ensure the purchase of 500kg of methaqualone, that in fact, these funds were used to purchase "a large amount" of BZ - in a joint operation with General Peter Regli, head of Swiss intelligence. Adv. Cilliers claimed that a joint divisible guarantee had been created with Swiss and SA funds. He also said that the write-off values of drugs destroyed in January 1993 makes mention of 980kg of Product B, a variant of BZ. Cilliers told the court that approximately four tons of BZ had been bought, but by the time of destruction, "this had largely been used up". Later during the week, Bruwer said that the money referred to in Charge 18 could not have been used to purchase BZ.

Cross examination of Bruwer continued on Monday 28 February with Adv. Cilliers putting it on record that much of the documentation in possession of American attorney, David Webster, was still in Webster's possession. The court order which forced Webster to open his files to investigators was specific about which documents could be removed, so although Bruwer was able to peruse the contents of all 30 sealed cartons, he was not able to bring all of them, or even copies of all of them, back to SA.

Cilliers argued that the state's case against Basson was absurd because, he argued Basson could not have stolen the R36 million from Project Coast over a six year period. To prove this is stated that the total budget for the financial years April 1987 to March 1993 was R270-m, including establishment and privatisation costs of Delta G Scientific and Roodeplaas Research Laboratories (R60-m to set up, R70m to privatise). Operating costs of the two facilities averaged R21-m a year - R9-m for Delta G Scientific and R12-m for RRL - or about R105-m for the six years in question.

In addition, the 45 000 NBC suits purchased by Regent International Trading Services from YCVM/Technotek cost R14,5-m. When all these costs were subtracted from the total budget for the six years, only about R20-m was left. Bruwer pointed out that this arithmetic was an oversimplification, and that the budget for each year had to be considered separately. He had established from the annual audit reports how much had been budgeted, what expenditure had been made and then been able to track the flow of fraudulent funds as set out in his report.

Bruwer's cross examination was concluded on the same day and re-examination of the witness by the prosecution began. Cilliers concluded by saying that the State's fraud case rested on the premise that Basson was the beneficiary of the WPW Group of companies based in the Cayman Islands and not an undisclosed group of principles. If the State is unable to prove this, the defence argues, the case against Basson will fail. In re-examination the State set out to prove that Basson had ample opportunity to inform investigations conducted by the Auditor-General and the Office for Serious Economic Offences about the



companies he is allegedly linked to and about the flow of funds. The State also attempted to demonstrate that Basson had instructed Webster

on all occasions and that it had not been the other way around. The state presented correspondence between Basson to Webster instructing him on various matters, to prove the point.

Bruwer stepped down on Tuesday afternoon. His place on the witness stand was taken by an associate of Basson's, Pieter Willem de Jager, who has known Basson "very well" since about 1979, when they met while both serving in the SADF. De Jager left the SADF in 1981, but he and Basson stayed in touch, meeting socially, playing squash, watching rugby together, until about 1988. At that time, De Jager was head of the SABC's security division, responsible for its facilities throughout the country. At a social function, Basson told De Jager "someone" would approach him in due course in regard to a company he might be interested in. The approach was made by Wynand Swanepoel, whom De Jager had met previously through Basson, but did not know well. Through Swanepoel De Jager became involved as a director of some of the companies in which Basson is alleged to have interests. De Jager ultimately became involved in a farming enterprise, Waag 'n Bietjie Boerderij, mentioned in the charge sheet. However during the three years that he farmed, the business lost some R3 million and he lost the land. The minutes of meetings of the holding company for the farming enterprise show that Basson was present at most of the directors meetings. De Jager testified that the capital invested in this, and other companies by Basson was from an undisclosed source.

During the cross examination of De Jager, Adv. Cilliers, put it to the witness that the zoo which was allegedly owned by a company known as Wisdom Idle Winds, in the Western Cape was to be the source of animals for laboratory research by Roodeplaat - animals that RRL itself could not/did not keep. According to Adv. Cilliers, the "zoo" would have served as a "very convenient way of expanding the range of animals for research at RRL".

The next witness was Hercules Orffer, who was a major at Military Intelligence from January 1987 to October 1990, and the man who made the foreign fund transfers on Basson's orders. Orffer performed the same service for various other secret projects. The procedures were the same in all cases - funds were to be moved in such a way that they could not be traced back to the SADF, transfers had to be duly authorised and within the broad project budgets.

The prosecution questioned Orffer about the usual manner in which funds would be transferred. Orffer told the court that Basson would call him from his car phone and tell him he was on the way to MI headquarters. Orffer, who by nature of his work always wore civilian clothes, would then have to wait for Basson outside the Liberty Life building in Vermeulen Street (home of Military Intelligence). When Basson pulled up in his car, he would hand Orffer a brown envelope from within, and drive away. Inside, Orffer would find the necessary instructions and authorisations. Basson's signature alone was sufficient to facilitate the transfer of millions - his bona fides were accepted by Military Intelligence without question, and no one, not even General Knobel, was required to co-sign the request for fund transfers or confirm the details of the purpose. All further arrangements were made by Military Intelligence through the Reserve Bank. Various accounts were used by Military Intelligence to launder funds - Executive Services, Karko and Herpeco being most frequently used. There was also Global Capital Investments (Pty) Ltd, which Orffer believed was, like the other accounts, merely a name that was used. He later learned, however, that this was a duly registered company. The GCI account was used sparingly, however, and only for certain projects, of which Coast was one, at times. Another "name only" account sometimes used for Coast was Dynamic Services. Because of the need-to-know principle, Orffer accepted the explanations for expenditure at face value. Checks and balances were left to members of the Auditor-General's staff, of whom three were permanently assigned to MI at any given time, and the internal SADF auditors. At Military Intelligence, the man in charge of Coast internal audits was Brigadier Hein Pfeil. Orffer could not recall any errors being made by Military Intelligence in transferring funds, and says the system was so well oiled that he was never aware of any security breaches.



Brigadier Hein Pfeil was next to take the stand. The former SADF brigadier served as internal auditor on secret projects with Military Intelligence from 1984 to the end of 1988. Among the projects he audited was Coast, and he reported verbally to General Niel Knobel about once every three months. His reports were based on audits confined to the paperwork for transfer of project funds abroad. Like Major Orffer, Pfeil's mandate was merely to ensure that the correct signatures were on the authorisation documents. He never knew what the expenditure was for, beyond the vague and fairly general descriptions given on the fund transfer requests by the project officer(s). This applied to all top secret projects, so was not unique to Coast.

Pfeil never saw, nor did Military Intelligence receive, any proof of payment or invoices to show that the equipment ordered had been received. Once funds had been placed in foreign accounts, MI had no further control over them. Since he never knew exactly what equipment was being purchased, or where it would be deployed, there was no way he could ever have physically checked that the SADF got what it paid for.

On Friday 2 March evidence from the first of Basson's close business associates to testify, began with accountant Tjaart Viljoen being warned by the judge in terms of Section 204 of the Criminal Procedure Act. This means that if the court finds at the end of the trial Viljoen has been totally frank and honest in his testimony, he may be granted indemnity from prosecution for his own involvement in the alleged fraud.

Apart from directing and managing many of the companies of which Basson is said to be the beneficiary, Viljoen was also initially an accountant and auditor of Inffadel, one of the official Project Coast companies set up to handle the finances and administration of the project. During questioning Viljoen told the court details of the companies allegedly established by Basson and about his involvement in these companies.

It is expected that Viljoen will remain on the witness stand for the next fortnight after which Samuel Bosch will be called.

This report has been prepared by Chandré Gould and Marlene Burger. Chandré Gould is a research associate at the Centre for Conflict Resolution working on the Chemical and Biological Warfare Research Project. Marlene Burger is monitoring the trial as part of the CCR Chemical and Biological Warfare Research Project. The Chemical and Biological Warfare Research Project is funded by the Ford Foundation, the Friedrich Ebert Stiftung and the Norwegian Government.

Explanation of scientific terms:

On 2 February 2000 (covered in the 10th weekly report) the court heard that on June 16, 1993, U\$100 000 was paid into the Aries trust, with another U\$150 000 paid in on September 13. The two amounts were recorded as a loan to Aries Trust from Waterson Trust.

Bank documents relating to the trust record the amounts as being paid by Baker & Hostetler for "transfer of technology - transfer of know-how and methods of manufacturing (inclusive of process package and synthetic route) for 4, 5 - Epoxy - 3 - Hydroxy - 6 - Methoxy - A - Ethorphime".

This substance has been identified as ETORPHINE, a highly potent and rapid acting opiate used in veterinary medicine for large animals. Minute amounts of this substance can exert serious effects leading to coma. It is used in large animals as a restraint for surgical procedures. It is at least 400 times more potent than morphine in humans. It may also be absorbed through broken skin or mucous membranes. Naloxone is the antidote, if used in time. Meat that has been injected with it is not for human consumption. Effects are tachycardia or bradycardia, hypertension or hypotension, respiratory depression, cyanosis, temperature drop. The outcome of exposure to minute amounts in humans may be fatal. It is not intended for domestic animals.



## Trial Report: Fifteen

This report covers the period Monday 6 March - Thursday 9 March 2000

Tjaard Viljoen, former business associate of Dr. Basson, gave evidence throughout the period covered by this report. Viljoen testified in detail of the businesses in which Basson is alleged to have an interest including the following:

1. Aeromed. Established in 1987 this company was not an official front for Project Coast. Viljoen testified that the company was to be used by the Coast. The company's assets included a Piper Seneca and a King Air.
2. Wisdom Erf 1219. The company under which the development of Merton House resorted.
3. Wisdom Idle Winds. The holding company of the Tygerberg Zoo. The property and zoo was purchased from Basson's uncle. The property was variously owned by other companies in the Wisdom Group after 1991.
4. Wisdom Liquor Centre. A Pretoria liquor store in which Basson had a 45% share. The business was sold in 1992/3 at a loss.
5. Contemporary Design Systems. A British based company established by Roger Buffham. Viljoen testified that he understood Basson to be CSD's financier.
6. Medchem Forschungs AG. A Swiss-based company headed by David Chu selling computer hardware and software and pharmaceuticals. Viljoen understood that David Webster also had an interest in this company. The company supplied Roodeplaat Research Laboratories with computer equipment. Viljoen told of a deal in which Medchem Forschungs in which an order for insulin was purchased for the United Nations necessity programme for Iraq. The supplier was Novo Nordisk. Medchem Forschungs apparently acted as an intermediary between Novo Nordisk and the Iraqi authorities.
7. Intramex. A company which purchased a suite at the Pretoria rugby stadium, Loftus Versfeld. Viljoen told the court that Basson and his wife, Viljoen and his wife, Merton House building contractor Niel Kirstein and his spouse, Christopher Marlow, Wynand Swanepoel, Philip Mijburgh, Sam Bosch and his wife, General Lothar Neethling and his wife and David Spamer and his wife, were regular users of the facility. The suite was sold in 1997 at a profit.
8. Waag 'n Bietjie Boerdery.
9. WPW Inc. Viljoen testified that he understood Basson to be the beneficial owner of this business. This is significant in that forensic auditor, Hennie Bruwer told the court on 28 February during cross examination that, if the court found that Basson and the WPW Group were one, there had clearly been personal gain by Basson, whereas, if the court found that Basson and the WPW Group were not one, then someone else had personally gained.
10. Profincor. The court heard that this company was financed by loans from WPW Inc.
11. Pretext Estate Agents. A company owned by Viljoen which received funds from PCM Inc at Bank Indosuez, Geneva on one occasion.
12. Regent International Trading Services. Established in January 1987 to be used to acquire protective clothing and equipment. The company would negotiate deals, buy the goods and distribute them. Viljoen understood this company to be an SADF front and paid SADF funds from Inffadel into the company's account. Forensic auditor, Hennie Bruwer, testified earlier that RITS was not an SADF front.



13. Intramex. A company established in October 1987, allegedly on Basson's orders. The company was to handle the future buying and selling of protective clothing and equipment. Intramex clients included Armscor, Swartklip Products, SAMS and 7 Medical Battalion. Intramex also sublet a warehouse in Pretoria West from Technotek, where 45 000 NBC suits were delivered and stored. In the warehouse was a secure wire cage, with a lockable gate, to which Basson alone had access. Drums of what Viljoen believed were chemicals, delivered by Delta G Scientific and Organochem, were stored in the cage. A February 1989 stock list faxed by Intramex to Technotek records the presence in the warehouse of "47 drums of poisonous acid". The warehouse was closed in 1990.

Viljoen testified that Basson appointed various people to act on his behalf in the private companies, namely, Viljoen himself, Christopher Marlow, Samuel Bosch, Philip Mijburgh, Wynand Swanepoel, D John Truter, David Chu, Roger Buffham, Bernard Zimmer and David Webster.

Viljoen said the "agents" were all confidants of Basson, but there were two levels of confidentiality. It is Viljoen's impression that Philip Mijburgh and Wynand Swanepoel were fully informed of all business activities.

On Thursday 10 March, Viljoen told the court of the lifestyle he had enjoyed as a business associate of Basson. This included, on one occasion hiring a Lear jet to fly Basson and his wife, Lothar Neethling and his brother and Viljoen to Cape Town for a Northern Transvaal-Western Province rugby match. On another trip to Cape Town, in the King Air, Basson and his wife, and Viljoen and his wife paid a fleeting visit to the Tygerberg Zoo before flying on to Fancourt for an overnight stay. Viljoen also referred to trips he made abroad saying that on most occasions he travelled first class.

Cross examination of Viljoen was scheduled to begin on Friday 12 March.

## **Trial Report: Sixteen**

This report covers the period 10 - 16 March 2000

Project Coast financial administrator, Tjaard Viljoen completed his testimony on Friday 10 March. He told the court that he believed Basson was arrested in Switzerland on two occasions and that he had heard about the second arrest in November 1993.

Viljoen told the court he was involved in the following companies: Aeromed, Wisdom Investment & Properties, Intramex, Joostenberg (which became BR Air), Wisdom Liquor Centre, Medchem Sport International, Wisdom Finance, Waterson Properties, Wisdom Holdings, Wisdom Idle Winds, WPW Investments Inc (Cayman) - though he was not aware that he was listed in that corporation's records as chief executive officer - Regent International Trading Services, QB Laboratories, SRD (which became WPW Investments SA) and PCM International (Cayman). In all these companies, he represented Basson's interests, and continues to do so through Profincor and Joostenberg Properties.

During cross examination, counsel for the defence claimed that Viljoen's version of events was not to be believed on the basis that he had perjured himself on previous occasions. With regard to an account which Viljoen had testified had been of concern to him, the defence put it to the court that, as part of an intelligence gathering operation under control of former Special Forces operational commander, Corrie Meerholz, two shebeens were run by 5 Reconnaissance Regiment - one in Hammanskraal, north of Pretoria, the other in the former homeland of Kwandebele.

Also during cross examination, counsel for the defence once again raised the matter of Basson's close relationship with Libya. It was put to Viljoen that four Libyans had lived in Basson's home for about six weeks at one stage and that Basson's mother had also accommodated three Libyans. The court was not told why Basson and his family had



accommodated these people, nor why that was related to the financial transactions with which Basson is charged. It was also mentioned that a Libyan national had stayed in the cottage used by Basson in the UK.

American attorney, David Webster, was referred to during cross examination. Adv. Cilliers told the court that it is not Basson's defence that David Webster was in control of the WPW/Wisdom Group. Rather, Webster's role was identical to that of Basson himself - the two of them were in the front line on behalf of the "real" principals.

With regard to the company Aeromed, Adv. Cilliers told the court that this company provided the principals with a Western-based airline company and as a result Unita head, Jonas Savimbi, was able to fly into the heart of American military bases "frequently". At the same time, such a "position of trust" was built up because of these visits by Savimbi that Basson was also able to use the Jetstar to transport sensitive equipment for Project Coast, since the aircraft was "almost never" inspected by foreign customs officials.

The cross examination of Viljoen was concluded on Tuesday 14 March with the defence counsel demonstrating that Viljoen had effectively stolen money from clients of his lending company, Profincor.

The next witness to take the stand was banker Samuel Bosch. Bosch had been employed as a bank manager when he met Basson in 1989. After his meeting with Bosch, Basson transferred all his personal accounts to the bank he managed. The accounts of the Wisdom group of companies and Partners in Travel were also transferred to that branch of the bank.

Bosch testified that during 1990 he was invited by Basson to accompany him and Philip Mijburgh on a trip to Orlando from where the Jetstar was to take its inaugural flight to South Africa.

Bosch provided details of trips undertaken which had nothing to do with his work as a bank manager nor, later as a director in some of the companies in which Basson allegedly had an interest. For example, he told the court that during 1990/91 Mijburgh invited Bosch and a group of people from Delta G Scientific to fly to Cape Town in the Jetstar for a rugby match at Newlands. It was on this occasion that Bosch first noticed that the Jetstar had a Medchem logo on the side. They flew from Lanseria, and on landing at Cape Town, encountered Basson on the runway. He, according to Bosch, had flown down separately, in what looked like a Lear jet.

On Wednesday and Thursday, Bosch testified at length and in detail about financial transactions involving Basson. One of the transactions referred to related to a transfer of US\$360 000 on 20 October 1992, to an account held by the company P&S which was recorded in the P & S cashbook as being in respect of "sale of technology" to Firm Licenspolychim, 11 Minskaya Street, Moscow. According to the forensic audit, the funds originated from the Project Coast funds sent to Blackdale for the "second" attempt to buy the peptide synthesiser. Charge 16 refers.

On October 21, Bosch had a Nedbank counter cheque issued against the P & S account for R1-m in favour of Medchem Consolidated Investments. In the MCI books, the money was thus shown as being a local payment.

Bosch testified that over a period of just six months in 1992, he transferred R31,2-m in SADF funds to foreign accounts. It was the first of these transactions that was playing heavily on his mind when he flew to Poland on April 8, the date of the first transfer. He could not reconcile himself to the fact that official SADF funds were being sent to bank accounts of a private individual, he says.

Bosch said that he had no doubt at all that the funds came from the SADF, since in all four cases, he was given Treasury Orders for the amounts. He said he had previously been



informed by Basson that the funds were to be handled in such manner that they could not be traced back to the SADF, so had set up various investment accounts - using variations on his own initials - abroad.

On April 8, he sent R17,5-m to an account of SBC in Basle of which Charles van Remoortere was the beneficial owner. All account details were provided by Basson. On May 20, R2,5-m was sent to an account at Bank Indosuez, Geneva, which also belonged to Van Remoortere. On June 8, another R4-m was sent to the same account. On October 22, Bosch was given a Treasury Order by D John Truter for R7,2-m which was transferred to the account of Blackdale Ltd in Geneva. In all four cases, the funds were left in the bogus investment accounts for a few days before being moved. Basson told Bosch to keep for himself the accumulated interest of R52 562 earned during those few days.

Bosch has no knowledge of what happened to the funds after transfer.

Bosch continued his testimony on Friday 17 March.

## **Trial Report: Seventeen**

This report covers the period 17 March to 24 March 2000.

Due to a public holiday on 21 March and an adjournment of the trial on 22 and 23 March the court only sat for three days during the period under review.

On Friday 17 March banker, Samuel Bosch, continued to give evidence about financial transactions within the consortium of companies in which he and Basson had interests. He told the court that in 1992 and 1993 the consortium began experiencing financial difficulties which were eased in February 1993 when over R3million was made available. Two deposits of R1.1million were paid into an account by Dr. David Chu as proceeds from the sale of technology. Bosch was unable to tell the court what these transactions involved.

Bosch said in court that at no time did he see Basson as having anything to do with the South African Defence Force. As far as he was concerned, Basson was the boss of the WPW and Wisdom groups, Philip Mijburgh the second in command, and their business was to make investments and profits.

Bosch testified that during September 1993 the Wisdom group of companies was experiencing such financial difficulties that he offered to lend the group some US\$150 000 that had been placed in a Swiss bank account as a pension for him. The Reserve Bank documents which report the transaction refer to the money as having been the proceeds from the sale of technology, allegedly for the formula of Etorphine. This testimony presents an explanation for this transactions which has been referred to in earlier weekly reports.

On Monday 20 March Bosch continued giving evidence, he told the court that the companies in the Wisdom/Blowing Rock groups had been restructured in 1994 and it would appear that a further restructuring took place in 1996. On both occasions Bosch flew to the United States to have David Webster sign documentation. He maintained however that he always understood Basson to be the chief decision maker in the group.

Bosch testified that the renovation of Merton House in Pretoria cost R12million and that the net loss had been R5million when the property was sold to the Zimbabwean government in 1994 for use as an embassy.

Bosch completed his evidence in chief on Friday 24 March. He told the court that he had stored trunks at his home on the request of Basson but that he had not known the contents of the trunks and had not been given the keys for the padlocks which sealed them. He also said that he had been asked by Basson's wife, Annette Versluis, to store several heavy, sealed



drums at his home after Basson's arrest in Switzerland in 1993. The trunks were seized by the Office for Serious Economic Offences during their investigation in 1997. The drums had been returned to Basson prior to his arrest in 1997 in South Africa.

Cross examination of Bosch began in the afternoon of Friday 24 March. Defence counsel, Adv. Cilliers put it to the witness that he had attempted to blackmail Basson after his arrest if the US\$150 000 that he had lent to the group of companies was not returned to him. Bosch denied the allegation.

The defence counsel also referred to Bosch's mental breakdown. Bosch produced a psychiatric report which had been authored in September 1992 after he had sought early retirement for health reasons. The report states that Bosch was suffering from "paranoid psychosis, coupled with an acute persecution complex", was incoherent, suffering from extreme anxiety and depression and showed a serious lack of motivation. His condition was a long-term one with an extremely poor prognosis - the chances of total recovery were "exceedingly slim" and he was no longer considered mentally fit to carry out his professional tasks. Bosch stated however that he was receiving medication for his condition which he said is currently stable.

Cross examination of Bosch will continue on Monday 27 March 2000.

## **Trial Report: Eighteen**

**This report covers the period 27 March - 31 March 2000**

Cross examination of banker, **Samuel Bosch** continued on Monday 27 March. As in previous cross examination, the defence counsel for Dr. Basson put it to the court that American attorney, David Webster was the beneficiary and client referred to in the case of the Merton House development. The defence counsel put it to the witness that Bosch was merely under the impression that Basson was the boss of the Wisdom group because of the nature of his relationship with Philip Mijburgh and Wynand Swanepoel, the nature of that relationship having been determined by Basson's position as head of Project Coast. The real boss(es) of the group remain unnamed.

As in previous cross examination, reference was made to Basson's contacts in East Germany and Libya. Yusaf Murgham was mentioned as being Basson's chief contact in Libya. According to the defence Murgham was a senior intelligence agent of that country. Adv. Cilliers told the court that he intended screening video footage of Yusaf Murgham in the company of former President Mandela in order for Bosch to be able to positively identify him. The video footage was not screened nor mentioned again during the cross examination.

Adv. Cilliers claimed that the cash withdrawals from the account of Regent International Trading Services in the name of Basson, referred to in previous weekly reports, were for payments to people at the Libyan embassy in Namibia. The court heard from Adv. Cilliers that Basson flew to Namibia to make payments to Libyan agents and to meet with East German agents. This trip took place on Wednesday, January 22 1997, (as confirmed by Bosch who accompanied Basson and Philip Mijburgh on the trip). This was a week before Basson was arrested by the South African Narcotics Bureau, at a time when Basson had already been employed at 1 Military Hospital for over year and had allegedly cut all ties with Project Coast. According to evidence given earlier by Grant Wentzel the arresting officers, the request for 2 000 Ecstasy capsules was made by Wentzel to Basson on Tuesday, January 21. At the time Basson allegedly told Wentzel it was a large order and he'd get back to him. The trip to Namibia took place during the process of this alleged drug deal. Bosch testified that he was not aware that Basson had met with Libyan or East German agents but that he had been aware that Basson had met with Dr. David Chu.

During continued cross examination on Wednesday 29 March the defence counsel put it to Bosch that when the blue trunks containing documents that had been delivered to his home



for safe keeping in April 1995 by Philip Mijburgh, Basson had been on an extended trip to Libya. This concluded the cross examination of Bosch and the following witness, **Petrus Troskie**, senior manager, foreign exchange, Reserve Bank was called to give evidence.

Troskie's evidence centered on the international transactions made and was very technical. It however emerged during his evidence on Thursday 30 March that Justice Hartzenberg had gained the impression that the, so far unnamed, principles referred to by the defence during the cross examination of witnesses is the Defence Force. No evidence has been led to this effect.

### **31 Friday March 2001**

The first High Court term of 2000 ended on Friday 31 March with defence advocate Tokkie van Zyl conducting brief cross-examination of Reserve Bank foreign exchange manager **Petrus Troskie**.

Troskie reaffirmed that South African citizens were barred from owning any foreign assets until 1997, the sole exception being inheritances. Not even a trust which existed in name only, i.e. had no actual financial assets, could be established without prior Reserve Bank approval. Troskie also confirmed that during the sanctions era, takeovers of local companies by foreign interests would first be referred to, for example, the SA Defence Force, if the local company was known to be a supplier of strategic/military goods.

The April 1987 capital investment by WPW Investments Inc in the company Systems Research and Development was supported, according to Reserve Bank records, by an (unsigned) letter from former SADF surgeon-general, Lt-Genl Nico Nieuwoudt, which states that he has no objection to the investment.

The court will resume on Tuesday, May 2, when Dr Torie Pretorius will present the first of about 30 witnesses on the human rights violations/murder charges. Meanwhile, prosecutor on the fraud charges, Anton Ackerman will prepare the application he has to bring before Judge Willie Hartzenberg to travel abroad to get the testimony of David Webster, Roger Buffham, Bernard Zimmer, David Chu and others on record.

When court resumes on May 2, Pretorius will present witnesses who have never before testified to their involvement with the Civil Co-operation Bureau (CCB) or its declared objective of eliminating enemies of the apartheid state. The evidence will be crucial, not only in the case against Basson, but also in answering some of the questions that were not addressed by the 1990 Harms Commission of inquiry and various other investigations launched since. Most of the witnesses to be called are not identified on the official witness list, but they will include operators implicated in the indictment and further particulars of the case against Basson in the murder/conspiracy to murder various activists and members of the security forces who presented a risk of exposure.

## **Trial Report: Nineteen**

This report covers the period Tuesday 2 May to Thursday 4 May, 2000

### **Tuesday 2 May 2000**

The trial of Dr. Wouter Basson resumed in the Pretoria High Court on Tuesday 2 May 2000 after a month long recess.

The session began with an application by the State to travel to Florida, USA, to obtain the verbal testimony of attorney David Webster, who refuses to come to South Africa to testify against Basson in the trial - despite the fact that he testified to the Office for Serious Economic Offences in South Africa late in 1993. The application was opposed by the defence



on the grounds that: 1. The law governing the taking of evidence on commission does not make provision for a witness who refuses to testify, only for circumstances, for example, involving serious illness or detention in a correctional facility abroad. 2. Since Basson is persona non grata in the USA, he would not be able to accompany a court team to the US, and since the accused has the constitutional right to face his accuser in person, it would be prejudicial to his case if Webster's testimony was obtained in his absence, or on video, an alternative suggested by the State. 3. Basson's absence would make thorough cross-examination of Webster virtually impossible. Resources to which the defence has access in South Africa would not be available in the US and given his involvement in sanctions-busting operations, Webster would almost certainly avail himself of his Fifth Amendment right to remain silent and avoid self-incrimination in "a range of criminal acts that almost guarantee him life imprisonment in his own country". The "enormous" costs involved in the proposed trip to Florida can also not be justified, Cilliers argued. Judgement on this matter is awaited.

The prosecution brought an application to prevent the media from publishing the names or photographs of certain witnesses in order to offer some protection against possible reprisals. The application was granted and will be reviewed in 30 days. This means that the first witness can only be identified as Mr. K.

No Commission of Inquiry conducted in South Africa has ever revealed the extent of the early operations of the covert units about which evidence was led during the period under review. This report therefore contains more detail than earlier reports on the trial. Any recipients of the report requiring more detail about events in court over the period under review can contact the compiler of this report, Chandré Gould.

**Mr. K.** was warned in terms of Section 204 of the Criminal Procedure Act that if he satisfies the court by answering all questions put to him fully and honestly, he may be granted indemnity from prosecution for his role in Charges 47-50 and 63.

Mr. K testified that he had been one of the founder members of the Selous Scouts in Rhodesia. He left Rhodesia in 1978 and joined the South African Defence Force as a member of Special Forces in 1979. In the same year he was approached by the Commander of Special Forces, Gen. Loots and the Minister of Defence, General Magnus Malan and instructed to establish a covert unit within Special Forces that would adopt the modis operandi of the Selous Scouts. To this end Mr. K. was instructed to establish a front company under which cover the unit would operate. Initially an estate agency by the name of NKJM however since none of the founder members had any knowledge of the real estate business they soon changed the name to NKTF Security Consultants. The Unit was known as Operation Barnacle.

The chief objective of the unit was elimination of identified State enemies and the carrying out of "super-sensitive" covert operations, which could include eliminations. Other objectives of the unit included: 1. the elimination of members of own forces who threatened to expose covert operations; 2. intelligence gathering; 3. ambushes; 4. combat intelligence and, 5. conducting of chemical operations. Mr K. told the court that he had not personally been involved in operations involving the use of chemicals.

Mr. K testified that during 1979 and 1980 he had recruited former Rhodesia soldiers and members of the South African Defence Force (SADF) to the unit. Due to the nature of pseudo operations carried out by the unit most of the operators recruited were black. Pseudo operations required that the members of the SADF unit infiltrate Swapo under the guise of being Swapo members.

The Barnacle unit had its own aircraft for the purposes of placing operators behind enemy lines, Mr. K. testified however that the aircraft was frequently used to dispose of corpses. He testified that when Special Forces Reconnaissance commanders and South African Police members involved in pseudo operations in SWA/Namibia began to experience "problems"



with certain "turned terrorists", it was decided they should be 'quietly' disposed of by throwing the bodies into the sea.

According to Mr K's flight logbook, the first time he was involved in dumping, what he assumed were Swapo members, into the sea from the aircraft was July 7, 1979. He took part in seven or eight such operations, piloting the aircraft to remote and desolate airfields in the bush or the South West African desert, where corpses in bodybags or semi-comatose individuals would be received. He would then fly to another remote spot, land, remove the rear door of the aircraft and fly 60-90 nautical miles out over the ocean where his co-pilot, usually Johan Theron, would throw the victims into the sea from a height of about 12 000 feet. Mr. K. testified in detail about the flights he undertook to dispose of bodies.

Mr. K. testified that on many occasions the victims were alive at the time of being loaded into the aircraft. In such cases the victims were injected with a sedative before being thrown from the aircraft. The witness was unable to say whether all victims 'disposed of' in this way were dead before being thrown from the plane. He did say that they had experienced a problem in 1980 when one of the victims regained consciousness and began to struggle. This he said led him to speak to Basson about the substance provided because he knew that the sedatives were provided by the accused.

Adv. Jaap Cilliers told the court during cross examination that it was not possible that Basson had supplied the sedatives, nor that he had been approached by Mr. K in this regard because Basson was a medical student at the time. This contradicts evidence presented to the Truth and Reconciliation Commission hearing by Dr. Basson who said that he had joined the SADF in 1975 after completing his medical studies and his internship. He told the TRC that by 1980 he had been promoted to the rank of Major within the Defence Force. Cilliers did however hand a certificate to the court which indicated that Basson had graduated as a specialist physician in April 1981.

The second witness, **Johan Theron**, was also a member of Special Forces. Theron was involved in all operations to dispose of bodies from the aircraft, was personally responsible for injecting victims, and in many cases responsible for taking their lives. He was also involved in Operation Savannah into Angola; support for Renamo and clandestine operations in Zimbabwe (smuggling weapons to that country) and in smuggling arms and equipment to South Africa when the United Nations arms embargo was imposed. He worked closely with Barnacle and was involved in various ultra-sensitive Special Forces operations from a security and counter-intelligence point of view.

Theron testified about the nature of pseudo operations saying that these operations had to be kept secret at any cost. If the operations were successful the Barnacle members, posing as Swapo soldiers, would capture Swapo members and interrogate them. Theron said that some captured Swapo members were turned, others useful only as a source of information. But in either capacity, once they had served their purpose, they presented a problem. There was no way they could be 'processed through normal channels' and imprisoned, as this would immediately compromise the entire pseudo operations programme. So, after "long deliberation" with Gen. Loots, Theron suggested that 'redundant' Swapo members should be disposed of "without trace". It was he who came up with the idea of dumping their bodies into the sea. Theron said that he researched the matter carefully to determine how far the bodies would have to be taken out to sea to ensure that they did not find their way back to the coastline and investigated the dangers involved in flying the aircraft without its rear door.

Theron testified there was a need at Fort Rev in Namibia for captured Swapo members to be 'disposed of' because there were 'simply too many detainees'. He told the court that the codename for the operation to dispose of bodies was Operation Dual.

Theron said that the first flight of this nature had been undertaken on 11 July 1979. Theron had been provided with a tranquilizer dart, of the kind used to subdue animals, by the technical unit of Special Forces. He told the court that the dart failed to subdue the man and who had put up a struggle. Theron ultimately strangled the man using a strip of plastic binding



and a pair of pliers. It took the man 15 minutes to die he said. This method of killing victims was employed on six occasions and Theron testified that it had traumatized him. Theron discussed this with Gen. Loots and Basson. According to Theron, Basson told him he would give him Scoline and Tubarine, both used during open heart surgery to collapse the lungs, but lethal in overdose. Both drugs are Schedule 7 and Theron would have had no way of obtaining them in the military context except through Basson.

These drugs were then used on a regular basis to lethally inject victims. Theron also said that Basson gave him sleeping tablets which were given to victims, in other instances the sedative was injected into cans of cold drink or beer. Theron testified that he could not remember how many people died this way but said that it must have been hundreds. In all cases the victims were black men except for once case in which the victim was a black woman.

Theron gave evidence that Basson had flown to Namibia on one occasion to monitor how he was carrying out his task and at the same time, assess how well Theron was handling his duties from a psychological point of view. The night before the detainees were to be given lethal injections, they were taken to an interrogation room with a one-way mirror. Theron watched from outside as Basson gave the men sedative tablets and saw that as Basson left the room, the men hid the pills in the legs of their chairs. Basson went back inside, retrieved the pills and waited until the men swallowed them. When the time came to inject the men, Basson demonstrated the correct procedure to Theron while administering Scoline and Tubarine to the victims, "who were dead afterwards".

Theron said that at an advanced stage of Operation Dual Basson had informed him that the death inflicted by the Tubarine/Scoline cocktail was extremely painful and had therefore made the anaesthetic Ketelaar available to him to anaesthetize the victims before dosing them with the lethal combination.

Theron also gave evidence about the murder of one of the assassins of Renamo leader, Orlando Christina. The victim in this case had ended up in the Intensive Care Unit of 1 Military Hospital after capture by the police. When the man recovered, Basson told Theron to fetch him from the hospital. Theron, Basson and a national serviceman, Paul Heyns, went to the ward together, where Heyns was handcuffed to the alleged assassin. The four then drove in Theron's car to Swartkop Air Force Base where a light South African Air Force aircraft was waiting for them on the runway. The suspect was handcuffed to one seat. Theron was told they were going to Bloemfontein. During the flight the prisoner was extremely aggressive, fighting hard to free himself. Basson told Theron his condition was the result of an overdose during chemical interrogation in which he, Kobus Bothma and Philip Mijburgh had taken part.

Theron told of an incident in which three victims were taken to a location in KwaZulu Natal where they were tied to a tree with a chain. Medical doctor and Special Forces member, Kobus Bothma had accompanied Theron in this instance. According to Theron the chief purpose of the trip was to "spend a day experimenting" with two different chemical substances, designed to kill - and if the victims died, they would be disposed of "in the usual way". He and Bothma spent a day smearing the men's naked bodies with the substances at intervals, wearing gloves to protect themselves. Despite this precaution, both Bothma and Theron did get some of the ointment on their own skin, but suffered no ill-effects. Nor did the victims, who remained alive. The next day, pilot, Martin Van der Linde flew to Dukuduku from Pretoria. The three victims were injected, loaded into the aircraft and with both Bothma and Theron aboard, their bodies dumped in the sea off St Lucia.

Theron gave evidence about an incident in which Basson asked him to assist in disposing of the body of a patient from 1 Military Hospital. In this case Theron and Basson had placed the corpse in the furnace at the Special Force Head Quarters, had waited for it to incinerate, collected the ashes and threw them out of a moving vehicle.

Theron told the court that Victor de Fonseca was an ex-Mozambican Civil Co-operation Bureau operator who had previously taken part in field operations as a member of Danie Phaal's team, but later did administrative tasks from an office at Special Forces Head



Quarters, known as "Die Gat". De Fonseca had a brain tumour and was frequently admitted to 1 Military Hospital, where he was treated in an off-limits section "to which only Basson had access". At some point, Basson and Theron discussed De Fonseca's fate and decided he should not be "taken into the system". He was married to a South African woman and because of his serious illness, Basson and Theron felt it would be better to "accommodate" him at 1 Military Hospital. Asked what he meant by "accommodate" Theron said "Basson would treat him in such a way that he died". Theron also discussed this with Phaal, De Fonseca's counter-intelligence officer.

Two incidents resulting in the murder of members of the 5 Reconnaissance Unit who had become security threats were also dealt with by Theron in testimony.

### **Tuesday 4 May 2000**

On 4 May 2000 the questioning of Theron related to his role as counter-intelligence head of Project Coast in 1991. Theron testified that he had difficulty in distinguishing between Basson's private interests and those of Project Coast, despite attempts on many occasions to investigate this. Theron confirmed that there were many aspects of Basson's activities that as counter-intelligence officer he should have been informed of but was not, including meetings with foreign agents.

Theron said that on a given day in 1992, he and Basson discussed a plan to distribute toxic beer at taxi ranks in the Eastern Cape, where violence was rife. The idea was to observe what effect, if any, the beer contaminated with flocculant(s) would have. The operation was not carried out because the operative chosen to conduct the experiment, Civil Co-operation Bureau counter-intelligence head, Danie Phaal, failed to collect the contaminated beer.

The cross examination of Theron began on 4 May and will continue on 5 May. Details of the cross examination and the arguments put by the defence team will be reported on in the next weekly report.

## **Trial Report: Twenty**

**This report covers the period Friday 5 May - Thursday 11 May 2000.**

It was reported last week that the victims of Operation Dual, code-name for the Barnacle operation to murder and dispose of the bodies of Swapo members and own forces who posed a security threat, were injected with a cocktail of drugs before their bodies were thrown from the Piper Seneca airplane. The drugs used have been named during testimony as Tubarine and Scoline. These are both muscle relaxants which would have the effect of paralysing the victim whilst leaving his mind fully conscious. A victim injected with these two drugs would suffocate as a result of the respiratory muscles being paralysed. Johan Theron, the Special Forces operator responsible for injecting victims told the court that he often first sedated the victims with Vesperax, a sedative containing two kinds of barbiturate. Should the victims first have been sufficiently sedated, no anxiety or pain should have been experienced after the injection of the muscle relaxants. This would not be the case if the victims were not sedated. Theron also said that Basson had supplied him with Ketelaar, an anaesthetic drug, with which to inject victims before administering the lethal cocktail. Ketelaar has the effect of causing hallucinations.

### **Friday 5 May 2000**

The cross examination of **Johan Theron** continued on Friday 5 May. Defence advocate, Jaap Cilliers, suggested to the witness that it was curious that he had used the drugs Tubarine and Scoline to murder his victims when he had access to cyanide capsules. Theron said that he did not have free access to cyanide capsules despite the fact that they were issued to all Special Forces operators in Angola to be used in the event of their capture. Theron also said that he had to rely on Basson for the supply of the drugs because the military pharmacists at



Special Forces Head Quarters were national servicemen who had been conscripted into the military. Theron did say under cross examination that on occasion, when Basson was away, the drugs were made available to him by medical doctor, Dr. Kobus Bothma; Special Forces dentist and later head of RRL, Wynand Swanepoel and a Wouter Lombard.

The defence also challenged Theron's account of the trip he alleges he and Basson made to Fort Rev in Namibia. Theron previously testified that once at Fort Rev, Basson was personally involved in administering lethal injections to Swapo detainees.

In relation to the charge regarding the cremation of a body in the Special Forces incinerator, the defence put it that it was SADF policy not to report the deaths of any Unita or Swapo member while that person was a patient at 1 Military Hospital. Their bodies were either cremated or returned to Namibia. Basson denies involvement in this incident.

### **Monday 8 May 2000**

The cross examination of Johan Theron continued on Monday 8 May. Theron told the court that in some instances bodies were not thrown out over the sea but over the Brandberg mountains, and others were thrown out into the veld from Casspirs (armoured military vehicles), this was the case in one operation during 1988.

The defense stated that Basson denies ever being involved in a scheme to distribute poisoned beer at taxi ranks in the Eastern Cape.

In relation to the incident in which, Theron claims, one of the alleged assassins of Renamo head, Orlando Christina, was taken from 1 Military Hospital unconscious after having been interrogated the defense claimed that the victim had in fact been catatonic and said that Theron was "clearly not aware that catatonia was particularly prevalent among black people, far more so than whites, under severe stress, black people enter a trance-like state and this is what had happened to this person." It must be noted that catatonia is a reaction to extreme stress brought on by, for example, severe torture and that there is no racial or ethnic tendency to catatonia amongst any group of people, contrary to the claim made by the defense. Basson denies involvement in chemical interrogation.

The defense placed in record that Basson had supplied sedatives to operators who suffered anxiety or nervousness about such things as 'going through customs posts' or entering buildings whilst on missions. Sedatives were also supplied to operatives involved in abduction operations. Basson denies giving Theron any substance or being involved in the murder of anyone. He also denies knowing anything about the solution devised by Theron, Gen. Fritz Loots or Mr. K for the overcrowded detention barracks at Fort Rev, or any other incidents in which Theron claims he was involved.

The next witness on Monday 8 May was former Civil Co-operation Bureau (CCB) counter intelligence officer, **Danie Phaal**. Phaal explained his background in the military to the court and said that he joined Special Forces as a counter-intelligence officer in 1980. Phaal said that while working at the Special Forces Headquarters he was gradually introduced to Barnacle. Phaal's first operation as Barnacle operator was in February 1983 and involved the murder of a fellow operator known only as Christopher. Christopher was offered a lift by Phaal and Trevor Floyd to Messina, once in the vehicle he was given a beer containing sedatives to drink. When he fell asleep the operators injected him with Ketelaar, which Phaal said he had been given by Basson. The intention was to keep the victim sedated until the next day when they were scheduled to fly from the Zeerust airfield. Sometime during the period of his sedation, Christopher stopped breathing. The two operators folded the victims body into a fetal position before rigor mortis set in and waited at the airfield. Early the next morning the head of the 5 Reconnaissance Unit's detention barracks, Chris Pretorius arrived with three prisoners. Shortly after first light Theron and pilot Martin Van der Linde landed at the airfield and Phaal helped Theron to inject the prisoners in the neck and heart before stripping them



naked and loading them into the plane. Theron and Van der Linde left in the plane with the victims and Phaal returned to Pretoria.

Phaal also told of an operation which he remembers taking place between 1983 and 1986 (although the indictment indicates that it took place in 1985). Phaal alleges that he was handed a small bottle of liquid by Basson who instructed him to put it in a soft drink and give it to the victim, a Swapo prisoner of war in Ondangwa, Namibia. Phaal was also instructed to transport the victim to 1 Military Hospital as soon as he showed any signs of illness. Phaal presented himself at Ondangwa as a doctor and was taken to the detention cells by the intelligence officer. The Swapo soldier he saw was in good health at the time and after talking to him, Phaal offered him orange juice, which he first laced, out of sight, with the contents of the bottle from Basson.

The following day, Phaal was summonsed urgently by the intelligence officer, who told him something was wrong. When he got to the Swapo man's cell, it was obvious the man had suffered extensive blood loss. There was blood on his calves, on the toilet bowl and on the cell floor and he was "not in good shape".

Phaal arranged for the detainee to be flown to Grootfontein on the first available transport aircraft and from there, to be casevaced to Pretoria. On arrival at Waterkloof that evening, an ambulance was waiting to take the man to 1 Military Hospital but Phaal did not know any of the medical staff in attendance.

During the flight, he had injected the victim with "something" he was given by a doctor at Grootfontein. Some time afterwards, Phaal was told by Basson that the man had died. Phaal told the court under cross examination that Basson had informed him that this was an experiment.

Phaal gave evidence about his role in the murder of Victor de Fonseca. This he said was the most traumatic incident in which he was involved. De Fonseca was suffering from brain cancer and began talking to other Special Forces members and outsiders about covert operations. For this reason he was identified as a security risk. Phaal was instructed to "get him under control". On two occasions Phaal was given substances, once by Dr. Kobus Bothma and once by Theron, to place in drinks given to de Fonseca. On 13 August 1986 Phaal was informed that De Fonseca had died.

Phaal took part in a second operation to murder an operative who had become a security risk. In this instance the victim was sedated, loaded into an aircraft and injected in the neck. His body was thrown out over the sea near Dukuduku in KwaZulu Natal.

Phaal explained that at some stage Barnacle ceased to exist and was replaced by an interim organisation, known only as The Organisation. In due course, the Civil Co-operation Bureau (CCB) took over from the interim structure. The most important consideration was that the new unit should not be traced back to the SADF. His task was counter-intelligence. The chief task of the CCB was eliminations.

Most members were recruited from the ranks of Special Forces and they acted only on intelligence. Various methods were used to kill targets, of which poison was one, but "any method" was acceptable. If toxic substances were needed in the early years, Phaal would get them direct from Special Forces doctors. "The Organisation" obtained whatever it needed from Basson's Special Forces medical unit.

Phaal testified that he left the CCB in 1990, although he said the unit only finally disbanded in 1993, three years after the unbanning of the ANC and other organisations. He said that a year after leaving the covert unit he was approached by Theron with the plan to distribute poisoned beer at taxi ranks in the Eastern Cape. Phaal agreed to be involved but made sure that he did not receive the beer, avoiding Theron's attempts to deliver it to him. Phaal was afraid that it was a trap. Phaal said Basson met with him in 1992 and acknowledging the fact



that Phaal was in a tight financial situation offered him 100 000 mandrax tablets. Basson told him that he could make R10 profit on each tablet. Phaal told the head of the CCB, Joe Verster about the suggestion made by Basson and reported it to his legal team. At the time Phaal and other former CCB members were involved in a legal battle with the SADF over the fact that their pension had not been paid out.

### **Tuesday 9 May 2000**

Cross examination of Phaal continued on Tuesday 9 May. It was stated by Basson's defence team that Basson denies handing Phaal the bottle of liquid allegedly used to kill a Swapo prisoner of war in Ondangwa. The defence team also said that Victor de Fonseca may have died of natural causes. Adv. Cilliers ended his cross examination of the witness with a formal denial that Basson was involved in any of the crimes with which he is charged and denies offering Phaal mandrax tablets to sell.

Former Barnacle operator and founder member of Special Forces, Trevor Floyd, was the next witness to take the stand. Floyd testified that he was one of the founder members of Barnacle and had accompanied Mr. K on trips to Rhodesia to collect truckloads of weapons and special equipment for use by the unit. Floyd said that by the end of the first year of Barnacle's existence there were 25 operators, mostly black soldiers from Rhodesia.

Floyd testified that he was involved in the murder of one of the Zimbabwean operators who posed a security threat in November 1980. Three other bodies were disposed of during the flight to get rid of the operator's body. Floyd said that while lethal injections were customarily used, on one occasion, he and Mr K had to use hammers to kill three victims because Mr K had forgotten to take along the sedatives. According to Floyd, "the story was always" that drugs used were obtained from Basson. Floyd also testified about operations which Mr. K testified about last week. He told also of the operation to murder Christopher, in which Phaal was involved. His version of the incident did not differ from the version presented by Phaal.

Defence advocate, Jaap Cilliers, objected to testimony by Floyd that directly implicates Basson in the supply of toxic substances used to murder enemies of the state. Basson's defence team previously stated that Basson denies ever supplying any chemical substances to anyone for elimination of enemies of the state. The Judge ordered that the legal teams present arguments regarding admissibility of evidence the following day.

### **Wednesday 10 May 2000**

On Wednesday 10 May, after hearing legal argument from both legal teams, Judge Willie Hartzenberg ruled that evidence related to the six charges dropped at the start of the trial, may be presented after all. He upheld his original ruling, namely that the crimes outlined in the dropped charges were committed beyond the jurisdiction of his court and thus cannot be tried in South Africa, but will allow evidence about toxins supplied to Barnacle/Civil Cooperation Bureau agents by Basson or his surrogates because it is in direct contradiction to the defence placed on record on Tuesday, May 9, namely that Basson denies ever supplying anyone with any chemical substances for the elimination of any person, and admits only to supplying sedatives at times to calm the nerves of Special Forces operators on a mission or who suffered anxiety attacks, and for use in abduction operations.

Floyd continued his testimony, providing details about the plot to murder Ovamboland local administration official, Peter Kalangula in 1985/6. In this instance Floyd said that Basson handed him a substance to smear on the victims car door handle. Basson also provided Floyd with two pairs of gloves, saying that should the substance come into contact with his skin he should immediately seek medical attention. The operation was aborted when Floyd was unable to gain access to the victim's car.

Floyd provided details of the start of the Civil Co-operation Bureau and the way in which the unit operated. He told the court that for much of the time he was a CCB operative he was the



sole operative responsible for Region 5: Europe and the UK. He was permitted to present evidence about the attempted murder of Ronnie Kasrils and Pallo Jordan in London in 1985/6. Floyd said that it had been his idea to use a poisoned tipped umbrella for the hit. He told how he had met Jan Lourens who had handed him the modified umbrella and showed him how to load the syringe with poison Lourens supplied. This operation too was aborted because the intelligence on which it was based was out of date.

Floyd said that he had been approached by Basson in 1992 and told that he had ecstasy to sell and asked Floyd if he had contacts in Europe who they could use to sell the drug. Floyd said he did not and also said he would not be party to drug dealing.

The cross examination of Floyd began on Wednesday afternoon and continued on Thursday 11 May. The defence put it to Floyd that Basson's approach with the request for assistance to sell ecstasy had been a test. Cilliers said that Basson was investigating an incident in which a drum of ecstasy had been found by customs officials in Ireland who had reason to believe that the substance had come from South Africa. According to Cilliers, a top-level SADF investigation was launched to establish if the Ecstasy had originated in South Africa, since there was a suspicion that the dissident CCB agents had somehow laid their hands on Ecstasy produced by Project Coast and were exporting it.

Floyd told the defence that there was no reason to suspect that he had been involved in ecstasy incident. The defence also challenged Floyd's version of the London operation and pointed out inconsistencies between the statements of Floyd and Lourens. The defence also pointed out that Lourens' statement implicates Dr. Philip Mijburgh in the provision of the toxin, not Basson.

It is expected that the next witness will be pilot, Martin van der Linde.

## **Trial Report: 20a**

**This report covers the period Friday 12 May - Wednesday 24 May 2000.**

### **Friday 12 May 2000**

The cross examination of Special Forces and Barnacle operator, Trevor Floyd continued. Floyd told the defence counsel, Adv. Jaap Cilliers that when he joined the SA Defence Force as a young man, he was told he would be trained to kill people, and during the late 1970s and 1980s, South Africa was at war, not only in Angola and Namibia, but in South Africa itself, as proved by the successive states of emergency. Trevor Floyd was never told by anyone that he should not kill his country's enemies wherever he found them. With regard to Floyd's earlier testimony that he had collected a jar of ointment to smear on the car door handle of the car belonging to Peter Kalangula from Basson, the defence counsel stated that Basson denies giving Floyd ointment.

Former Civil Co-operation Bureau operative, Abraham (Slang) Van Zyl testified about the attempted intimidation of Archbishop Desmond Tutu in 1989 and the conspiracy to murder former Minister of Justice, Dullah Omar. Van Zyl told the court how he came to be recruited into the covert SADF unit after being approached by one of his colleagues in the police. Van Zyl was a policeman at the Brixton Murder and Robbery unit prior to his recruitment. Van Zyl said that the CCB's primary task was the "maximum disruption of enemies of the state, including eliminations". Intelligence gathering was very much a secondary task. "Enemies" were defined as individuals or organisations actively engaged in opposing apartheid - critics of the government of the day did not qualify. Van Zyl was assigned to Region 6 (South Africa), with the Western Cape his particular field of operation.

Van Zyl described how the CCB operated, how orders were given, targets selected and authorized for 'elimination'. Van Zyl said that the attempted murder of Dullah Omar was his second project as a CCB member and that he had used Cape Town gangster, the late



Edward (Peaches) Gordon to carry out the operation. The initial intention was to murder Omar with a silenced makarov pistol but this plan had fallen through because Omar was difficult to monitor, kept irregular hours and was seldom alone. In August Omar had a heart attack and was recovering at home. Gordon told Van Zyl that he could get access to Omar's heart medication.

Van Zyl testified that whenever poison was needed, the regional co-ordinator of the CCB would liaise with "the suppliers". Van Zyl discussed Omar's medication with CCB operatives, Staal Burger and Christo Brits and Gordon was instructed to get the tablets. At the end of August, Van Zyl handed two pills to an unknown agent from the "medical regiment" at a cell meeting with Burger and Brits. On September 13, a CCB agent known to Van Zyl as Nick met Van Zyl at a hotel near the Johannesburg airport and gave him a small bottle of powder. It had not been possible to reproduce Omar's medication, but this powder, if sprinkled over his food, would kill him in such a way that he would appear to have had another heart attack, Van Zyl was told.

The powder was handed to Gordon by Van Zyl but Gordon failed to get access to Omar's food and Gordon was instructed to destroy the powder and the makarov a week later.

Van Zyl also testified about the placement of the baboon foetus in Archbishop Tutu's garden in August 1989. Van Zyl, Ferdi Barnard, Edward Gordon and one other unidentified operator drove to the Bishops court residence from the Cape Sun, where Barnard knocked eight nails, previously treated by a witchdoctor, into trees along the driveway, and Van Zyl hung the jam jar containing the foetus in a tree near the front door.

Van Zyl quit the CCB in October 1989. All operators had been ordered to finalise their projects by September 1, 1989, as FW de Klerk was replacing PW Botha as president, and he "did not yet know of the CCB's existence". Until he had been informed, no further operations were to be launched.

### **Monday 15 May 2000**

Former CCB operative, Petrus Jacobus Botes took the stand and told the court about his involvement in the covert unit. Botes, who was a member of the inner-circle of the organisation told the court about the structure of the CCB and the way in which it operated. He told the court that chemical substances could be obtained via the counter-intelligence offer, Danie Phaal or the medical co-ordinator. Botes knew three medical co-ordinators - De Wet, who was not a doctor, Gerrie Odendaal and Frans Brink (not his real name). Botes said that operators could get anything they needed, from substances that would take effect within minutes to long-term toxins which would strike within hours, days, even two to three months, depending on how much time the operator needed to exit the area of operation. Requests for toxins would be made at the final briefing and approved by the general before being passed to the medical co-ordinator.

Botes was given poison on three occasions. Once he received a small brown eyedropper-type bottle containing a clear liquid. He was told it was tasteless and odourless and that a single drop would kill a man. Twice he was given ampoules of clear liquid. He never knew exactly where the substances came from, but had been told frequently that "Doc Wouter's team" had the ability to provide anything that might be needed.

In August 1989, Botes was given four brown glass jars by Joe Verster and told that two contained cholera bacteria, the others yellow fever germs. Botes went to Namibia to identify opportunities for anti-Swapo operations and while there, received the order from Verster to contaminate the water supply at two refugee camps outside Windhoek with cholera - and yellow fever.



In cross-examination, Cilliers pointed out that according to Basson, any plan to place yellow fever in the drinking water would have been futile, since it cannot be spread other than by a mosquito bite.

Botes gave the bottles from Verster to two of his operators, Charlie Krause and Jose Daniels. He was not convinced the cholera plan would work, since he had established that the water in the camp reservoir was from the municipal supply and thus chlorinated, but Krause and Daniels in due course reported they had polluted the water and returned the empty containers to him. He destroyed them.

Cilliers formally placed on record Basson's denial that he ever supplied Botes with any toxic substances.

The next witness was Rita Engelbrecht, ex-schoolteacher, housewife, bank clerk and Military Intelligence employee in civilian capacity. She was recruited in 1984 and involved in personal security clearances, including background investigations. Specifically, she was involved in the clearances of Project Coast employees, which were at the highest level - orders from the top were that all Project Coast employees had to be totally beyond reproach. She was aware that Coast was the chemical and biological warfare programme.

From the end of 1987 she worked out of the Inladel offices in this capacity. Inladel was controlled by Basson and her colleagues were Tjaart Viljoen, Antoinette Lourens, Johnny Koortzen and Marie van Graan. From time to time she also had contact with Brian Davey and other doctors connected to the project. She also got involved in security clearances for employees at the front companies - Roodeplaat Breeding Enterprise, Roodeplaat Research Laboratories, Delta G Scientific, D John Truter and Protechnik.

Engelbrecht testified about the poisoned beer that Theron was to pass to Danie Phaal to be placed at taxi ranks in the Eastern Cape. Despite an objection by Adv. Cilliers, the judge allowed the witness to testify that Theron had also told her, at some stage, that she should not imagine if you murdered someone, death came quickly. It could take up to 15 minutes, he told her, for someone to die. He also told her that his work included flying out to sea and throwing the bodies of terrorists into the ocean and that he was extremely good at giving injections to terrorists, as Dr Wouter Basson had taught him how to do so.

### **Tuesday 16 May 2000**

After a short cross examination of Engelbrecht the state called former Military Intelligence operative, **Jan Anton Nieuwoudt**. Nieuwoudt was responsible for developing dossiers on potential targets for much of his career. Nieuwoudt also liaised directly with the head of Barnacle and with operators on the ground, supplying information about identified targets to them. For a period of about a year (approximately May 1983 to mid-1984) he lived and worked closely with Trevor Floyd. He is aware that poison was used by Barnacle operators for eliminations. Nieuwoudt testified that proposals for the elimination of targets were routinely submitted to the Chief SADF and on at least one occasion, also to the Minister of Defence.

Nieuwoudt specialised in interrogations and was involved in "many" after being trained both locally and abroad in this field. He had excellent equipment at his disposal, including a variety of electronic surveillance equipment in a mobile caravan. He is part author of the SADF manual on interrogation techniques.

He was present on one occasion, at Fontana, when chemical substances were used during an interrogation. The victim was a policeman from Nelspruit by the name of Msibi, who was suspected of being an ANC supporter/agent. The Security Police conducted the interrogation but a Special Forces operator, whom Nieuwoudt assumed was a medical doctor, administered the substance by injection.



Nieuwoudt testified that while working for the Directorate of Covert Collection he had ordered fellow agent, Henri van der Westhuizen to buy cans of beer in Swaziland. These he handed to Dave Drew or Mielie Prinsloo at Special Forces Headquarters to be laced with poison. The poisoned beers were brought back to Nieuwoudt by Dirk Booysen, who pointed out tiny spots of solder on the base. They were barely visible, but Nieuwoudt nevertheless painstakingly filed the solder until no trace of tampering could be seen. He passed the beer on to an agent of his in Swaziland. At a subsequent debriefing, the agent reported to him that it had been given to Knox Dlamini. After being "nagged" for three weeks by Booysen to do so, Nieuwoudt filed a report on how the poison had worked, based on what his agent told him.

Henri van der Westhuizen was called next. He joined Military Intelligence in 1981. At the end of 1986/beginning of 1987 he was posted to Speskop, working for Mielie Prinsloo. Here his job was to prepare target dossiers, the final step before an elimination was authorised. He gave duplicates of some files to CCB operator Pieter Botes. Van der Westhuizen then joined the Directorate of Covert Collection in the Terrorism section. He confirms that Nieuwoudt once ordered him to buy beer in Swaziland so that it could be "prepared" with poison, but claims the beers he bought "never went anywhere". He says he kept them locked up in a cupboard in his office and that is where they stayed, along with six cans of South African-bought beer - also Castle. Nieuwoudt once showed him other cans of beer which he said had been poisoned, pointing out the tiny soldered holes.

### **Wednesday 17 May 2000**

Hearing of testimony was suspended for the day while argument was presented on the State request for the court to travel to Jacksonville, Florida, to hear the testimony of attorney David Webster.

The judge gave his ruling on Monday morning, May 22.

### **Friday 19 May 2000**

Bio-engineer and former managing Director of Protechnik, **Jan Lourens** took the stand. Lourens said that he had been based at Special Forces headquarters as a member of the Special Operations unit, a unit commanded by Basson. Lourens told the court that there were laboratories at Special Forces headquarters one of which was the initial production facility for CR gas.

From 1985 Lourens did a great deal of work with RRL in the bio-medical support sphere, providing apparatus needed for experiments, such as a primate restraint chair and a mechanical arm that could be used to extract blood from a distance. He was also responsible for installation of the filtration system in the RRL toxic laboratory.

When Lourens became involved with Delta G Scientific, it was still housed in a couple of offices in the Pretoria suburb of Val de Grace. While there, construction of the Midrand plant began and Mijburgh invited Lourens to serve as project manager, which he did for about 18 months.

Delta G had two manufacturing plants as well as a pilot plant or pre-production facility and a large laboratory complex in addition to the usual administrative offices and workshops. When construction ended, Lourens was given the option of staying on as resident site engineer, but the prospect held little attraction and instead, he discussed with Mijburgh the possibility of removing the defensive chemical leg of the project from Delta G and running it himself. Mijburgh agreed and at the end of 1986, with funding supplied by Basson, Lourens set up System Research Developments in Strydom Park, Randburg.

The company grew rapidly. Defensive chemical work concentrated on filters and detection apparatus while SRD Electronics was involved with surveillance equipment and debugging devices. A mechanical workshop operated under the name of QB Laboratories. In March



1988, Lourens left SRD and Johnny Koortzen took over from him. By that time, the defensive side of the business had grown significantly, with textiles, clothing and filtration systems all being tested against genuine chemical substances rather than simulated tests being carried out. Lourens then became managing director of Protechnik until March 1993.

The mechanical division of SRD supplied custom-made items which Lourens and EMLC armourer, Philip Morgan called "applicators". These were instruments that could be used to administer chemical substances. The need for such items was identified by Basson and as a rule, finished products were delivered to him by Lourens. Once or twice, Lourens delivered products to Dr Andre Immelman at RRL, but most of the work he did in conjunction with RRL was with James Davies.

Payment for these items was covered by a regular monthly fee to QB Laboratories and a "wide range" of applicators was made. The earliest were screwdrivers, either springloaded or containing a low explosive charge which released the chemical substance on impact. Other items included a combination spoon and knife, umbrellas, walking sticks, a folding knife-spoon which fit into a cigarette box, screwdrivers fitted with surgical hypodermic needles (one of which was fitted into a bicycle pump) and polycarbonate micro-balls coated with a chemical substance. Polycarbonate was virtually impossible to detect during an autopsy, Lourens was told and the micro-balls could not be detected by security X-Ray machines.

QB Laboratories also made signet rings with a secret compartment for poison, and these had a unique locking mechanism, designed by Morgan, which allowed Lourens, in court, to identify a signet ring used by Leslie Lesia against ANC operatives in exile in African states. A photograph of the ring was published in The Star during the legal wrangle between the now defunct Vrye Weekblad and Lothar Neethling over former Vlakplaas commander Dirk Coetzee's allegations that Neethling had supplied him with poison used to eliminate ANC activists.

In 1988/89 Lourens was sent to England by Basson to hand over an 'applicator' - an umbrella - to an operator. Two glass ampoules of colourless, watery liquid given to him by Philip Mijburgh - he says he must have been referred to Mijburgh by Basson in this regard - were taken to England by Lourens himself. He wrapped the ampoules in tissue paper and sealed plastic bags and packed them in his toiletry bag, which was in his hand luggage. Lourens told the court how he had met the operator and had shown him how to use the 'applicator'. In the process of doing so, some of the liquid from the ampoules had dropped onto his finger and he had licked his finger without thinking. Lourens cannot remember much about what happened next, but says he suffered vision impairment, began shivering and briefly lost consciousness. He drank some milk and Dettol which he found in the bathroom, and went to lie down. After about two hours, he felt fine. A document retrieved from one of Basson's trunks by investigators was shown to Lourens, who said he was seeing it for the first time. It deals with the symptoms of poisoning by SILATRANE, refers to Dr James Davies and Dr Andre Immelman and is signed by Dr Wynand Swanepoel. The symptoms match those experienced by Lourens at the cottage.

During cross examination, Cilliers placed on record Basson's formal denial that he ever sent Lourens to the UK with the poison umbrella. Furthermore, according to Basson, at the time the umbrella was still in development and could not have been used.

### **Monday 22 May 2000**

Judge Willie Hartzenberg granted the State application to take the court to Florida in the US to hear the testimony of attorney David Webster and his wife, Jane. Hartzenberg said it was obvious that Webster's testimony was crucial in order to admit the huge volume of documents from his files as evidence in the case, and that he could "clearly" provide a great deal of relevant testimony. Justice required that the State application be granted and given the fact that the trial record already runs to some 6 000 pages and hundreds of exhibits totaling several thousand more, Hartzenberg believes he would be the best person to act as co-commissioner with a suitably qualified American judge.



The first witness of the day may, in terms of a court ruling, be referred to only as **Mr Q**. He currently has business contracts in various southern African states, is a former Selous Scout and has family living in a neighbouring state who could be targeted for reprisal if his identity were made public.

He told the court that when "things were difficult" in Zimbabwe in 1980, he came to South Africa to join EMLC, a "dedicated firm" which provided special equipment to the SADF's Special Forces. The head of EMLC, based at Speskop, was Sybie van der Spuy and it consisted of an electronics section, drawing office, mechanical workshop and library. There were a number of laboratories in the Speskop head office building but according to Mr Q, these were not staffed by EMLC.

Mr Q testified to knowing Basson, whom he saw "regularly" at both EMLC and other areas of Speskop. He knew him as a "military medical man" and also knew two or three of the doctors working under him, but had little to do with them. Occasionally, he visited the office of Dr Philip Mijburgh and recalls seeing a live black mamba there - for about two or three months.

His work consisted largely of producing silencers, special ammunition and magazines, modifying weapons (e.g. shortening the barrels) and timing mechanisms.

Mr Q was once called to Mijburgh's office and asked to drill a tiny hole in a can of Game orange cold drink. Mijburgh wanted the task done in his office rather than in the workshop and Mr Q obliged, drilling the hole on the seam of the can. A substance was then injected into the can and Mr Q closed the hole by soldering it. He did this on two or three different occasions and the holes were never visible.

Shortly before leaving EMLC at the end of 1987, Mr Q was called to General Kat Liebenberg's office and told to take a few weeks leave as there was a special project Liebenberg wanted him to work on at home. Mr Q was told Basson would come to his house and tell him what was required. The result was a walking stick which could fire a tiny polyurethane pellet - 3-4mm in diameter - which had a hole drilled in it that could contain a liquid or a powder. Mr Q assumed the walking stick would be used to shoot someone. Basson came to his home two or three times to check on his progress and give him guidelines.

Soon after completing this project, Mr Q was told by Basson that he was setting up a small facility like but separate from EMLC and invited him to go and work there. From January 1988, he did, in the basement of a building in Strydom Park, Randburg. Jan Lourens was the manager of SRD and Mr Q shared the basement with QB Laboratory, which was supplying teargas canisters to the police.

Mr Q was told to draw up a list of machinery and equipment he would need and given a cheque by Lourens to purchase it.

In addition to modifying weapons and cars used by the medical staff from Speskop, Mr Q began making special applicators. The walking stick was the first. Screwdrivers followed - several examples handed to the court as exhibits on Friday were identified by Mr Q as his handiwork. The hollow handle contained a springloaded plunger that could suck up liquid through a small hole at the end of the screwdriver blade. The liquid would be released on impact if someone was jabbed with the screwdriver. The design was Mr Q's, as were trigger mechanisms for letter bombs also handed to the court on Friday.

The need for a specific applicator and specifications would be given to Mr Q by either Lourens or Basson and the finished products returned to one or the other. Basson gave Mr Q the specifications for the poison-tipped umbrella, of which only one was ever made. It had a springloaded plunger with four hypodermic needles at the tip, covered by a protective shield that retracted on impact, releasing the liquid inside.



Mr Q also made a signet ring to Basson's specifications. It had to have a secret compartment for powder. The ring used by Leslie Lesia and shown in a newspaper photograph in November 1990, was identified by Mr Q as the one he made. The prototype, which he had kept in his possession until it was turned over to the investigating team, was produced and filed as an exhibit in court today, along with a number of scale drawings of applicators which Mr Q says he designed. Mr Q gave the completed ring to Lourens. Among the other gadgets he manufactured was a blade, powered by a blank cartridge, which could fit into a box of 30 cigarettes and could also hold a small amount of liquid.

The next witness was **Dirk Booyesen**, who was a teacher before joining the permanent force (Navy) in 1979. He worked for the Directorate Covert Collection until 1987, when he was seconded to Special Forces as DCC's liaison officer. It was his task to handle all Special Forces requests for "essential elements of intelligence" from DCC. His colleagues at Speskop were Colonel Mielie Prinsloo and Dave Drew. Special needs of Special Forces - cameras mounted in vehicles, false compartments, cans of Coca Cola, foreign coins with secret compartments - were routed through Booyesen to Colonel Hekkie van Heerden during his tenure at Speskop from 1987 to 1989.

**Erasmus Johannes Smit** testified next. He joined the SADF in 1959, served as an artillery man and was a founder member of both 1 Parachute Battalion and Special Forces. He joined the CCB in late 1987/early 1988. He knows Basson as a medical doctor from Special Operations. His primary role with the CCB was security but he was temporarily seconded to Region 6 when serious disciplinary problems were being experienced "because SADF standards were not being applied" and ran a number of agents himself. He worked with the CCB production team several times. His administrative name was Nick Nienaber, his operational name Lawrence.

Smit was assigned to take to Cape Town the bomb used to blow up the Early Learning Centre, but at the last minute, more pressing needs prevented him from going. At one point, he was given the task of sitting some of the Region 6 agents down and having them complete their long overdue expense claims. This happened in a hotel near Johannesburg International Airport, and among the culprits were Slang van Zyl and Calla Botha. During this exercise, "Nick" handed Van Zyl a small bottle of poison and gave him directions for its use. He had been told that the suppliers could not provide the poison in tablet or capsule form. The powder was given to Smit by "Christo Brits".

**Dr Daan Goosen** was the next witness and the first of the scientists to testify against Basson. He qualified as a veterinarian in 1975 and obtained an Honours degree three years later in clinical pathology, toxicology and pharmacology. While on the lecturing staff at Pretoria University's veterinary faculty, he was appointed director of the HA Grove animal research centre attached to what was then the HF Verwoerd Hospital in Pretoria on January 1, 1978. He held this post until the end of October 1983.

Goosen told the court how he had been recruited by Basson to establish the biological warfare facility Roodeplaat Research Laboratories. Goosen said that at a meeting which he, Basson and the then-Surgeon General, Gen. Nico Nieuwoudt attended the decision was made that the facility would operate clandestinely. This would allow the scientists freer access to the international scientific community and would allow RRL to draw top scientists to its payroll, since military remuneration would not be attractive enough. Delta G Scientific was already operating in this way and RRL would follow in its footsteps. Their cover story was that of a contract research facility in the pharmacological, agricultural, biological, veterinary and medical fields and some private projects.

Goosen said that in order to avoid undue attention to construction of a high-tech facility just outside Pretoria, RRL was built in phases - the animal centre first, then the basic laboratories, five research laboratories shared by microbiology and reproductive physiology. The high risk or P4 facilities came later and were constructed further north.



Goosen said that at first, contact between RRL and the SADF was through himself and Basson. Later, meetings were held at the Sterrewag (Observatory) premises of Military Intelligence on the southern outskirts of Pretoria. These were attended by Basson, RRL security chief Charl Jackson and Mijburgh as a rule. Monthly meetings also took place between the RRL "directors" and the main shareholder, the surgeon-general, at which all current projects were discussed. Goosen says there was no doubt among the RRL staff that the surgeon-general knew what work they were doing.

Security was strictly enforced. Once the RRL directors had nominated a team for a specific project, they were not allowed to discuss their work with anyone outside that team.

Goosen testified about work done at RRL on organophosphates saying that the objective was to develop the ultimate murder weapon - a lethal poison that could not be traced during an autopsy or, if traced, could not be traced back to RRL and hence the SADF. RRL was single-minded in this objective.

### **Tuesday 23 May 2000**

Goosen continued his testimony by revisiting his demotion in January 1986 from managing director of Roodeplaat Research Laboratories to MD of Roodeplaat Breeding Enterprises, which focussed on the breeding of guard dogs.

After Basson's arrest in January 1997, Goosen was asked by the special investigation team to go through the contents of four steel trunks of documents belonging to Basson. He spent two weeks, almost full time, on the documents in just one of the trunks. In another, he found minutes of RRL meetings, personal documents belonging to Basson and 203 RRL project files, many of them the original research files, including some relating to Goosen's own projects.

There was also a great deal of literature on CBW, numerous documents related to Delta G Scientific, including minutes of board meetings and financial statements as well as documents relating to Infladel and Protechnik. The contents of what has become known as Trunk No 2 covered almost every aspect of South Africa's CBW capability.

Goosen said that the ultimate application of biological agents manufactured by scientists at RRL was "not within our frame of reference" but testified that there is no doubt in his mind that Project Coast was about the development of weapons - and during the 1980s, South Africa was a world leader in some aspects of biological research. Of the 203 project files in Basson's trunks, 177 dealt with CBW weapons. The rest related to "soft" or commercial projects. Of the 177 CBW files, 34 dealt with antidotes and treatment for biological agents and of these, only three were final reports. This surprised Goosen, since by his reckoning, there should have been 76 final reports. Of the 34, seven projects were pre-1988 while the rest were dated after that and up to the early 1990s.

During cross examination the defence team suggested that Dr. Goosen had not been honest in all his dealings at RRL and that he had misappropriated money used to build on to his home. Goosen said that any money he owed RRL at the time of his departure from the organisations was deducted before payment of his pension contributions.

Adv. Cilliers put it to Goosen that in all international CBW laboratories, it is protocol to "look at the possibility of poisoning someone, somewhere in the world, with a view to protecting your own people". Goosen acknowledged that there was very little distance between the manufacture of a biological agent and the antidote. The same technology is used for both. And this, says Cilliers, is what RRL's work was actually all about. In typical military fashion, the problem was attacked in terms of a Red Plan and a Blue Plan - the most likely substances to be covertly administered to SA security force members/agents had first to be identified before countermeasures could be devised. And different people would be used to work on the offensive (Red Plan) and defensive (Blue Plan) measures, says Cilliers.



Cilliers also stated work on mamba venom - and that of other snakes - was part of a normal SADF project. Not only was there research on antidotes but mamba venom in particular has properties that are of vital importance in certain medications and biological warfare. It is a potent neuro-toxic poison with "very significant" anti-clotting properties, according to Cilliers. Goosen said if this was what was being sought, he would have thought venom from the adder family of snakes would have been more suited to research.

Goosen said it was correct that highly advanced research had been done on peptide synthesis. Cilliers said that the biggest CBW fear in the world is and was the peptide synthesiser, with its ability to produce peptides to alter moods and emotions. Goosen agreed that psychotropic substances are regarded as the new generation chemical weapons, but said the real fear in the year 2000 was development of ethnic-specific biological weapons, not covered by existing treaties. Cilliers said also that during the 1980s the realisation dawned that chemical warfare was no longer about mustard gas, which left heaps of bodies lying on battlefields, and attention turned to peptide synthesis instead.

### **Wednesday 24 May 2000**

Former Roodeplaat Research Laboratories scientist **Dr Stiaan Wandrag**, whose research field is toxicology and pharmacology, testified. He joined Roodeplaat Research Laboratories in July 1988 on completion of his compulsory military service. His main work for the SA Defence Force was a "deep involvement" in developing CBW antidotes, which he believed were for the protection of VIPs, security force members and agents who might be exposed to CBW.

He worked in the Compression Lab - situated in a basement with extremely tight security and high compression filtration systems installed by Jan Lourens of Protechnik. This lab was used for work on toxic agents and access was restricted - there were only two keys, one in Wandrag's possession, the other in André Immelman's. Wandrag was required to conduct studies on pharmacological products which included safety tests. Among the substances he worked with were Sarin, Tabun and VX. He also worked on an antidote for and protective measures against mustard gas. All Wandrag's products were tested on animals.

Wandrag carried out research on Vitamin D3 - or Cholecalciferol, a potent rat poison which results in calcification of the arteries as well as the heart muscle. The report on his research filed with the court records that by the time symptoms appear, the heart muscle is already damaged beyond repair, no matter what treatment is administered and it is thus advisable that a large enough dose be given in the first place. It is said in the report that the biggest advantage of the tasteless substance is that it is natural and thus leaves no trace.

The substance was bought by RRL for tests which Wandrag insists were "for the protection of VIPs". Kept in a refrigerator in Immelman's office, Wandrag drew quantities of the poison as he needed it for his research. Wandrag also conducted tests with Sodium Azide, commonly used in laboratories for preservation, but also in the manufacture of explosives. The substance is highly explosive, especially when it comes in contact with metals such as lead.

Wandrag also worked on the ionophore antibiotics to determine what effect they would have on humans, and did animal studies with Aloxam. At one point he was asked by Immelman to provide a baboon foetus. He was led to believe it would be used for tissue culture research in the Far East and was told to freeze it. Wandrag performed a Caesarian section on a pregnant baboon and removed two foetuses, one of which he gave to Immelman in a plastic bag, packed in ice in a polystyrene container. About three weeks later, Wandrag read in a newspaper about the "monkey" foetus suspended from a tree in Archbishop Desmond Tutu's garden at Bishopscourt and asked himself if this might not be the foetus he supplied. He did not ask anyone else, however.

Under cross-examination, Wandrag said in order to manufacture antidotes, he had to first have the toxin. Some chemical substances were received from Delta G Scientific. His tests



had to determine the toxicity of various carrier substances to which the poisons had been added, identify symptoms of poisoning and draw up treatment protocols.

He claims tests done on chocolates laced with Thallium were done so that VIPs and security force members could be warned to beware of complimentary hotel chocolates in case they had been contaminated. The same applied to tests on contaminated whisky.

The next witness was **Dr Mike Odendaal** who was warned against self-incrimination in respect of placing salmonella in sugar, anthrax on cigarettes, botulinum in chocolates and beer and freeze-drying HIV-positive blood. He qualified as a veterinary surgeon in 1974, specialised in bacteriology and last year, obtained his PhD with development of a vaccine for feedlot cattle. Odendaal spent three years at Onderstepoort Veterinary Institute and three years at the HA Grove research centre before joining RRL in January 1985. He resigned in July 1993.

Odendaal said literature on biological warfare is scarce so from the outset he focussed on collecting as many cultures as he could find. One of the RRL laboratories was specially equipped for his work with pathogens at PL3 safety level. He cultured a considerable selection of bio-agents. At first, the defensive aspect was the most important but gradually, the emphasis shifted more and more to the offensive use of biological agents. Lacking clear guidelines from RRL management on what they were expected to do, scientists working for Odendaal pretty much went their own way, working on individual projects of choice. In his case, this meant the cattle vaccine.

Odendaal said the current approach in CBW programmes is to focus on micro-organisms and viruses, but no viruses were developed at RRL.

Odendaal said that Dr. André Immelman controlled all 'H' or hard projects (projects for the SADF) at RRL and orders for these were almost never put in writing. As a rule, Immelman did not tell Odendaal what he needed specific pathogens for. However, he once asked for salmonella which was to be added to sugar for an ANC meeting. Odendaal had the idea the meeting was in Soweto, and was told afterwards that the salmonella had worked very well and that all the delegates had fallen ill.

He worked on all four types of Clostridium Botulinum - A & B which affect people and C & D which affect animals.

Odendaal says Botulinum is one of the most toxic substances on earth - a mere six molecules would be required to incapacitate and kill a man. Immelman was given samples of all four types.

Odendaal tested the toxicity of the substance when mixed with various liquids and found water, milk, beer and wine to work well. Added to pure alcohol such as whisky or gin, flocculant was visible.

At Immelman's request, Odendaal purchased several packets of cigarettes and contaminated one or two in each packet with anthrax spores on the filter. The packets were given to Immelman for resealing and distribution - to terrorists in Angola and Zambia, Odendaal understood.

Soft-centred chocolates were injected with anthrax or botulinum and given to Immelman. Fairly soon after Odendaal joined RRL, he was given a tube of blood by Immelman who told him it came from Basson, had been drawn from a 1 Military Hospital patient dying of AIDS and was to be freeze-dried with a view to being used against "opponents".

From the Sales List, he identified the following as substances he gave to Immelman: Beer with botulinum, anthrax spores on a letter (anthrax spores can survive for up to 90 years in the ground but if they reach the lungs, they are fatal), salmonella sugar, 16 bottles of vibrio



cholera on August 4, 1989 (supplied in 100ml laboratory flasks), anthrax cigarettes, anthrax chocolates, botulinum chocolates, aldicarb in orange juice, another six bottles of vibrio cholera on one occasion and 10 on another, Brucella Melitensis (which has a five to 10-year effect on the victim), S typhimurium in deodorant.

In cross-examination, Cilliers established that all Odendaal's knowledge of the use of his pathogens, came from Immelman, as did the orders.

While all early work was defensive, offensive projects took over almost entirely in the later period. When Odendaal left in mid-1993, R200 000 had been spent on plans for a state-of-the-art biological production plant at P4 safety level and in which any products of which 300 litres or more were required, would be manufactured. It was never built.

Basson formally denies being involved in the abuse of any of the pathogens manufactured by Odendaal.

Veterinarian, **Dr James Davies** was the third witness of the day. Davies worked at RRL. Davies was made head of toxicology under Immelman and later head of animal experiments under Van Rensburg. Davies claims he understood Coast to be a purely defensive programme. Hard projects on which he worked were to determine toxicity of substances and how they could best be delivered. One of his test substances was Paraoxon, which is extremely poisonous and was tested on both rats and baboons. All projects had to be approved by Immelman, who was the link with the chief client, the SADF.

Davies carried out tests on the effectivity of special applicators at Immelman's request. These included a screwdriver and a walking stick, which was burnt in RRL's furnace when the company shut down, along with all substances kept by Immelman, microbiological cultures and documents. The screwdriver was tested on a pig carcass and reports were given to Immelman. The bamboo walking stick, powered by a blank cartridge, was tested on a cardboard box for penetration. Davies claims his impression was that even these tests were for defensive purposes as such devices could be used against SA troops. At Immelman's request, custom-made toxins were injected into chocolates and alcohol. The products were then returned to Immelman. Davies said he had put Aldicarb in orange juice, botulinum in beer, thallium in beer, paraquat in whisky, anthrax spores on five cigarettes and contaminated chocolates with various toxins. Paraoxon in lip balm was tested as a possible applicator while the toxicity of paraoxon and nicotine combined was tested in a dog. Toxicity tests on Brodifacum were also done by Davies.

Shortly after Basson was arrested in January 1997, Immelman summoned Davies, Wandrag, and Kobus Nieuwenhuis to a meeting with Basson at Adolf Malan's office. According to Davies, they were told to destroy any documents they might still have relating to their work at RRL. Under cross-examination, Davies said he had always worked from a defensive angle for the protection of "our own people" and that all his research reports had been drawn up from that viewpoint.

## **Trial Report: 20b**

**This report covers the period Thursday 25 May - Thursday 1 June, 2000.**

### **Thursday 25 May 2000**

The court moved to Speskop, headquarters of the South African Defence Force's Special Forces during the 1980s and early 1990s - and home of the Civil Cooperation Bureau - for an inspection in loco.

Back in court **Dr. Schalk Van Rensburg** continued his testimony. Van Rensburg met Basson in 1983 during a visit by Basson to the Medical Research Council, where Van Rensburg



worked, to discuss the problems of biological warfare. On August 1, 1984, Van Rensburg joined Roodeplaat Research Laboratories, where he thought he would be engaged in research on various micro-toxins being used as weapons by Russian and Cuban troops in Angola. At that stage, Van Rensburg believed there was a very real threat of chemical warfare being used against South African security forces, and despite the fact that he never supported apartheid, had no reservations about working for a military laboratory dedicated to the protection of South African troops and development of countermeasures to the dirty tricks being used against them.

Van Rensburg said that Basson was the undisputed external director of research, who identified priorities and supplied guidelines for research. Van Rensburg himself was actively involved in only one project, as adviser to the team working on an anti-fertility vaccine. The idea for this came from Basson. He told the court there was no or little defensive work done by RRL, with the exception of projects designed specifically to protect RRL's own employees or agents handling bio-weapons in the field.

According to Van Rensburg, Basson's highest priority was the search for a substance that would kill in a way that made death appear from natural causes and would not be readily detectable during post-mortem forensic tests. Both Basson and Swanepoel repeatedly urged RRL scientists to find such a substance.

During cross examination, Van Rensburg was challenged on his claim that RRL conducted only offensive biological work and that defensive work was "done elsewhere". In response, Van Rensburg quoted a breakdown of the work done for the Defence Force. Of the products delivered by RRL to the SADF, 36% were lethal toxins, 36% were applicators, 18% were pathogens "that could cause severe illness", 10% were irritants and 3% were psychogenic agents. Within weeks of joining RRL in mid-1984 it had dawned on Van Rensburg that RRL was an offensive plant, he said, and throughout his tenure, only about 6% of all RRL projects were not offensive.

The court adjourned until 29 May.

### **Monday 29 May 2000**

Former director of research at Roodeplaat, **Dr Andre Immelman** began his testimony. Immelman served for 10 years on the Veterinary Control Council and joined RRL in January 1984, having been recruited by a former student, Dr James Davies.

Immelman said RRL had "outstanding" animal facilities and in this and other respects, was not only the leading laboratory in South Africa, but compared favourably with numerous international facilities.

Immelman said he was responsible for the planning of the Compression Laboratory at RRL and had planned it with products like Sarin, Tabun and VX in mind.

Immelman testified that he initially believed the Defence Force project was entirely defensive, in response to a CBW threat identified by the military. Immelman knew Basson as the SADF contact man and expert, who supplied RRL with guidelines for research. CBW was a virgin field of research for the RRL scientists and they were almost totally dependent on Basson to identify projects. Immelman and Basson met regularly, Basson being a frequent visitor to RRL. Immelman and Basson continually discussed projects, and Basson could veto any project if he did not believe it to be in the SADF's interest, or request research on a specific substance or application options.

Projects at RRL consisted of identifying toxins and establishing how they worked, whether or not they could be traced through forensic examination, what their stability was when added to food and various drinks and which routes were suitable for application - oral, inhalation, skin, intramuscular or intravenous.



Lists of "hard" or SADF projects were filed with the court. The 1985 list of 10 projects includes toxicity of paraoxon in baboons and ionophore antibiotics. (EXHIBIT 63 R) The 1986 list contains 40 projects, including paraoxon synthesis, toxicity tests for Brodifacum, data bases for organophosphates and psychotropic substances and evaluation of the anti-fertility potential of various substances. (EXHIBIT 63 S) At some point, H projects became R projects and EXHIBIT 63 T lists 197 of them. Immelman said there were "cases and cases" of pathogens in the microbiology laboratory, where in addition to "hard" projects, research was also done into antibiotics on behalf of pharmaceutical companies. Both bacteria and yeast cultures were present.

According to the witness, the synthesis of paraoxon was an ongoing project and there was always "plenty" available. EXHIBIT 63 U (1) outlines the most effective use of paraoxon, one of RRL's earliest projects. Immelman explained that parathion is an organophosphate commonly used as an agricultural insecticide, which only becomes toxic - highly toxic - when metabolized in the body to form paraoxon.

RRL synthesized paraoxon as an active ingredient because it was "reasonably easy" to make, required a fatal dose of 1mg per kilogram of body weight which was quickly absorbed and, if detected post-mortem, could always be attributed to parathion, and because research into paraoxon offered an ideal cover for establishment of the laboratory in which research would be done on Sarin, Tabun and VX, since the same stringent standards applied for work on the poisons as on the nerve gases.

Immelman believed the parathion research could result in a new way of treating organophosphate poisoning through hydrolysis, and when this was achieved, RRL scored a world breakthrough. Every organophosphate Immelman could find was exposed to the process and the only one on which it did not work was Microtox.

Paraoxon was added to lip balm, shampoo and roll-on deodorant, RRL not having the facility to place it in aerosol containers. Kobus Niewenhuysen was involved in the toiletries project while Klaus Psotta (his predecessor as head of the chemical department) carried out research on paraoxon mixed with tobacco. Paraoxon - a thin, oily substance in its natural form - was also mixed with alcoholic beverages.

Immelman told the court Basson had access to all pathogens and toxins produced by RRL and several of them were delivered to Basson by Immelman. Deliveries that predate the 1989 Sales List and which he can remember are:

- About 2ml of paraoxon (a lethal dose) taken to Basson's office at SAMS headquarters. Basson was not there, so Immelman left it with Wynand Swanepoel.
- Thallium, delivered more than once.
- Thallium-laced beer and whisky.

Immelman said the substances were only returned to him by Basson on a few occasions, either for further tests or to be destroyed.

Some time after the mid-80s, Immelman began to question the legitimacy of the work being done by RRL and voiced his doubts to Basson. He was assured that all projects had the approval of the State Security Council. He was also reminded, during this period of doubt, by David Spamer that, at some point, Basson had said his defence was that an arms dealer could not be held liable for the irresponsible use of a weapon by someone.

After taking over as managing director of RRL, Swanepoel frequently reminded Immelman of the importance of maintaining good relations with Basson. Immelman found himself realizing more and more that the toxins he supplied were probably being used against people, and became resigned to the fact.



Towards the end of 1988, Basson introduced Immelman to three "colleagues" - Chris, Manie and Gert. From a number of photographs shown to him by the prosecutor's investigation team, Immelman subsequently identified Chris as security police officer Chris Smith.

Immelman had been told by Basson to use the codename Willem in order to protect his links to RRL. He adopted the cover of a farmer, supplying the toxins on a part-time basis in return for money. Immelman thought Chris, Gert and Manie were attached to 7 Medical Battalion, like Basson, who told him to "give them anything they want". Later, Basson also introduced him to Koos, with the same instruction. Nothing, says Immelman, left RRL without Basson's approval.

Prior to delivering paraoxon to Chris, Gert and Manie on April 4, 1989, they had discussed at length with Immelman how best to apply it to clothing. He explained that garments which would be in direct contact with the skin should be used and that the poison should be spread over the widest possible area. The most sensitive areas for absorption would be the scrotum and eyelids, hence underwear, a shirt collar or waistband of pants were suggested. Some while after making the delivery, Immelman read in the newspapers about the poisoning of Frank Chikane and asked Basson directly if paraoxon had been used. Basson replied that no one knew, "not even the Americans".

Some of the items handed to Basson or the other four people introduced to Immelman included, three cans of beer with Botulinum which were delivered to Basson on June 21, 1989; Vibrio Cholera handed in Schott laboratory flasks to Koos on August 4 and 16 and September 8 1989; six containers of orange juice, each containing 200mg of Aldicarb, delivered to Chris, along with 2g of Vitamin D3 on April 7, 1989 (a fatal dose would be three to four grams). Some time during 1990/91, at Basson's request, Immelman supplied him with about three one-litre bottles of soft drink to which E-Coli had been added.

Immelman said that during 1984, while in America doing research, he was approached in a laboratory by someone he believes was a CIA agent. He was asked pointed questions about a South African CBW programme but denied all knowledge and vigorously protected RRL's existence. Nevertheless, one day, his host told him he had to attend a meeting, and suggested Immelman spend time in the laboratory library. He was shown to a smallish room and soon realised that every title on the shelves and every publication dealt with CBW. On returning to South Africa, Immelman spoke to RRL's security staff and urged them to train employees on how to handle such situations when abroad.

## **Tuesday 30 May 2000**

Cross-examination of Dr Andre Immelman began with him confirming that he could not say with certainty that any of the toxic substances supplied to Basson or anyone else on the Sales List were used to murder people. At best, he had strong suspicions that this could be the case, particularly in regard to the Rev Frank Chikane, but he never actually knew.

Immelman said he would have expected the FBI's forensic investigation of the Chikane affair to identify the presence of Paraoxon in his clothing, and through blood tests, though if the quantity was small, it would be difficult to trace. The FBI report produced by defence counsel Jaap Cilliers notes that Chikane was hospitalised three times in the US and that tests on his clothes proved negative for the presence of Paraoxon, as did blood tests. A urine sample was taken at the University of Wisconsin Hospital and did show the presence of DEP (diethylphosphate), an indicator of Parathion being present, but not Paraoxon. Immelman pointed out that the presence of paranitrophenol in Chikane's urine was actually an indication that Paraoxon was present - in the metabolised form of Parathion. The debate continued for some time, with Judge Willie Hartzenberg eventually suggesting that Immelman go away and research the subject fully and return, in time, as an expert witness on the subject. He will do so.



In response to a question about his former colleague, Schalk Van Rensburg, Immelman said he had grave doubts about him after Van Rensburg begged his fellow directors never to let his wife know that RRL was a military front company and because Van Rensburg asked him "many" questions about the Chikane incident. His suspicions were reinforced when during the final planning stage of the P4 laboratory in 1987/88, he discovered that, without his knowledge, Van Rensburg had appointed consultants from Porton Down in England on the project. Immelman confronted Van Rensburg and accused him of wanting to blow RRL's cover. Van Rensburg responded that Porton Down had been privatised and that the consultants were from the private sector.

The next witness was **Eric Kennelly**, who served as second-in-command to Johan Theron at Special Forces Head Quarters, Speskop. He said that some time during 1981, he was told by Theron to be at a hangar at Lanseria airport early one morning. On arrival, he found Theron, Trevor Floyd, Mr K and another SADF member whose name he cannot remember, at the aircraft in the hangar. Two black men dressed in SADF army "browns" were seated on the hangar floor. Theron told the two men they were going for a trip in the aircraft, but since turbulence was expected, he would give them each a sedative. Kennelly saw him inject first one then the other man intravenously. They both keeled over almost immediately. The men were then stripped naked and loaded into the aircraft.

Theron gave Kennelly the syringe, needle and one or two empty glass ampoules, with instructions to destroy them. Kennelly drove back to Speskop, took the equipment to a far corner of the property and crushed it into the ground with his heel. He saw ampoules similar to those he destroyed on several occasions when he was in Theron's office and the door to the walk-in safe was open.

At some point prior to the Lanseria incident, Theron had told Kennelly there was a top secret project, Dual, designed to eliminate certain people with chemical substances. Theron said the Dual file was in his office safe, and would stay there permanently, unlike all other files, which had to be returned to the classified registry office every night. Kennelly believes Theron told him about Dual, and had him go to Lanseria, as insurance, so that if Theron should be transferred, Kennelly would be able to carry on with the Dual work.

### **Wednesday 31 May 2000**

Delta G scientist **Dr Gert Lourens** returned to the witness box, briefly, after testifying early in the trial about the manufacture of methaqualone. He testified about "a small number" of methaqualone derivatives produced at Delta G, chief among them being Theolodine, a liquid, and Antranil Acid, a powder, of which "a few hundred kilograms" were made.

At the request of Delta G Managing Director, Philip Mijburgh, Lourens also became involved in a non-official project making derivatives of silicon and phosphate. One of these, synthesised by Lourens, was Paracholorophenyl Silatrane - not available in South Africa at the time and highly toxic. Lourens gave the powder to Mijburgh, who sent it to Roodeplaat Research Laboratories for tests. Later, Lourens was asked to conduct tests himself, specifically regarding the solubility in water of Silatrane. These were done in conjunction with Dr Andre Immelman, whom Lourens was introduced to when Mijburgh took him to RRL.

Lourens confirmed the test results outlined in EXHIBIT 54D, namely that intramuscular injection of Silatrane resulted in the death by suffocation of adult baboons within 15 minutes. The substance could not be detected post-mortem.

The next witness was Stephanus Andre Redelinghuys, administrative director of Delta G Scientific from May 1982 to April 1993. Redelinghuys, formerly employed at the Special Forces technical lab, EMLC, testified briefly about the nature of work at the two facilities.

The next witness was Mr C, who may not be named in terms of a court order, for fear of reprisals. Mr C was a Selous Scout from 1970 to 1980, specialising in pseudo operations.



After joining the SADF's Special Forces in 1980, he spent another 10 years conducting pseudo operations and also joined the Civil Cooperation Bureau (CCB).

Mr C says he first met Basson "in passing" in then Rhodesia in the late 1970s. This happened in the communal mess at the Selous Scouts Head Quarters outside Harare. Basson was in a group of South African security force members who had gone to Rhodesia to take part in joint operations with the Selous Scouts. From 1980, Mr C was stationed in Nelspruit, conducting pseudo operations and working for the CCB. However, he was also involved in pseudo operations in Namibia and regularly visited the detention barracks at Fort Rev where Swapo captives were held. He confirmed earlier testimony about the nature of the interrogation facilities there.

During the run-up to the Namibian elections, Mr C was told by his colleague, Pieter Botes, to take a box wrapped in paper to Namibia by road. On arrival in Windhoek he handed the parcel to Botes, who in turn gave it to an operator named Jose Daniel. After they returned to South Africa, Botes told Mr C that the operation had not been successful, "as the cholera did not work".

In cross-examination, Cilliers told Mr C Basson denied being in Rhodesia in the late 70s and it was in fact impossible for him to have been there, since he was a full-time medical student until 1981.

The fourth and final witness of the day was **Calla Botha**, who quit the South African Police in May 1988 to join the CCB's Region 6 along with Staal Burger, Slang van Zyl and Chappies Maree. During his inaugural training course at Speskop, Botha learned that eliminations were the chief objective of the CCB. He confirms the definition of Red and Blue plans given by previous CCB agents and that poison was specified as one of the weapons that could be used to eliminate enemies of the state.

## **Trial Report: Twenty-One**

This report covers the period 2 - 8 June, 2000

### **Friday 2 June, 2000**

The court did not sit on Friday 2 June, the hearing resumed on Monday 5 June.

### **Monday 5 June, 2000**

**Bio-chemist Jan van Jaarsveld**, who graduated from Pretoria University with a BSc in 1982 and has since obtained a doctorate in theology, was called to testify on the manufacture of new generation CR teargas. Recruited while still a student by Professor Nic Vermeulen and Dr Willie Basson to work at EMLC - a top secret project designed to equip SA with a defensive CBW capability - Van Jaarsveld was one of the pioneers in EMLC's chemical division. This division, which was to change venue and name, ultimately was called Delta G and was based in Midrand.

Van Jaarsveld initially did nothing except study all available literature on incapacitating agents. Van Jaarsveld said CR was 20 times more potent, but less toxic, than the existing CS teargas and the CR project moved ahead fairly rapidly. During the interim phase between research and full production, 20 litres at a time were being made. Before going into full production, additional equipment had to be bought and tests conducted. All purchases were channelled through Gerald Cadwell and Dr. Gerrie Rall and paid for the Delta G budget.

Van Jaarsveld told the court he had never heard of the Technical Work Committee before being called as a witness. Nor, in fact, had he ever known he was part of Project Coast. Up to the time he resigned from Delta G in 1993, he had never been told there was any committee



which identified the needs of scientists in respect of equipment and chemicals, or that such requirements had to be approved by surgeon-general Gen. Niel Knobel. Gen. Knobel previously testified that the Technical Working Group was a sub-committee of the Co-ordinating Management Committee responsible for determining the direction of scientific research and identifying the needs of the front companies.

With regard to laboratory facilities at Special Forces headquarters, Van Jaarsveld said initially, there were two laboratories at Speskop, A and B, but in due course, the wall between the two was demolished to accommodate large-scale CR production. At the time of the move, the maximum production was 50 litres at a time. Van Jaarsveld said Basson placed the order for CR with Delta G and at one point, he delivered a 5 litre sample of 95% pure CR to Basson. He testified that he was aware that tests were done at Speskop with the teargas by spraying it from aerosol containers into a room and monitoring how long it took before those in the room were forced to flee the area. Van Jaarsveld's feedback was that the tests had been satisfactory.

Van Jaarsveld said that sanctions had not presented a problem to Delta G in acquiring the scientific apparatus and chemicals needed. Delta G was to all intents a private company, and able to get whatever it needed, even if it sometimes took a little time. He said Delta G obtained equipment from various chemical companies: Schott in Germany, whose SA agent was Labotec, Buchi in Switzerland, Corningware in England, among others.

Asked about the peptide synthesizer he said he knows what a peptide synthesiser looks like, having been shown a photograph of one by the prosecution, and having seen one in the analytical laboratory at Delta G in Midrand. However, throughout his time at Speskop, there was never a peptide synthesiser, nor would this equipment be required for CR production.

Van Jaarsveld told the court that at the height of production, Delta G was delivering a ton of CR a month to "the Phantoms" - as the staff called the mystery clients, whom they knew had "an SADF or Armscor connection" although they were never really sure which. Delta G was selling CR at R1 000 a kilogram and hence generating an income of R1million a month.

### **Tuesday 6 June, 2000**

The next witness was **Dr Graeme Gibson, now an anaesthetist**, who joined the SADF as a national serviceman in January 1983 and the Permanent Force in August 1984. He volunteered for the Special Forces Medical Special Operations unit in April 1983, working out of the Special Forces Headquarters (Speskop) under the command of Basson.

Gibson said that in 1986, he was put in charge of an HIV-AIDS research project - or surveillance study - designed to evaluate the strategic effect of HIV on both the South African Defence Force and on the conventional warfare capacity of neighbouring states. The project entailed taking blood from troops attached to various neighbouring fighting forces, including Unita. Gibson's task was to collate the data and documentation and submit it to the Chief of Staff Planning, who in turn submitted it to the State Security Council. His reports were based on blood tests, information gathered and literature. Numerous blood samples were collected and analysed during the project, which was run in conjunction with the departments of Foreign Affairs, Health and Correctional Services.

Gibson told the court that the medical stores at Speskop were chiefly used to repack supplies for Unita after all South African identification had been removed. This operation fell under the control of Basson or, in his absence, Wynand Swanepoel. Initially, supplies for this purpose, at or near the use-by date, were obtained from provincial hospitals or pharmaceutical companies but later, at the request of Unita, all supplies came from the SAMS Medical Base Depot near Defence Headquarters in Pretoria.

Gibson left the SADF in February 1989. On leaving he was asked by Basson to set up a front company to continue certain SAMS projects covertly. In March 1989, Lannius Consultants cc



was formed, with the knowledge of both Basson and Gen. Knobel. The purpose was twofold: to conduct the Hypoxis project, which was a search for a cancer cure, and to conduct anti-viral HIV research. It was intended that Gibson would report to Gen. Knobel and Basson at six-weekly intervals, but the project never got that far.

A document entitled *A Critical Analysis of the Original Proposed Study and a Motivation for the Conducting of an Initial Pilot Study, sub-titled A Draft Pilot Study Protocol for the Testing of Thym-uvocal in HIV-1 Seropositive Patients* was supplied by Gibson and filed with the court. Appendix A of this document contains the initial proposal given to Gibson by Basson, which would assess the efficacy of Thym-uvocal as an anti-HIV drug. The project was supposed to run over six months and would compare the effects of Thym-uvocal against those of AZT. Basson also proposed that the project would probe whether or not AZT tolerance could be improved by the simultaneous administration of Thymus peptides, of which Thym-uvocal was one. However, Gibson has no idea what Thymus peptides are. He never conducted any research on peptide synthesis and DNA and RNA probes fall outside his field of interest and he has never used them. Gibson revised Basson's proposal and submitted his version. Basson was not in the country at the time and he was told to fax the document to Dr. David Chu, of Medchem Forschungs, in Switzerland. That was the last he ever heard of the project.

**Bio-engineer, Jan Lourens** appeared briefly to complete his cross-examination.

Lourens agreed with Adv. Cilliers that the chemical filters manufactured in South Africa were considered the best in the world at the time of the Gulf War, and that "everyone" involved in that conflict wanted them. Lourens said he had never been involved in the commercial side of the filters and did not know which Gulf War forces had benefitted from them, although he was aware that Rooikat armoured cars and G6 self-propelled artillery pieces fitted with the filtration systems had been exported to Middle Eastern countries. The greatest advantage, he said, was that the filters had been tested in desert conditions using real rather than simulated chemical agents. None of the competition on the market at the time had undergone these practical field tests.

The last witness of the day was **Major-General HAP Potgieter** - still a serving SA Air Force officer. Potgieter joined the SAAF in 1961, spent three years in the operational area during the mid-1980s and is a qualified fixed-wing and helicopter pilot. In 1987, he was posted to Speskop to succeed Matie van der Linde as Senior Staff Officer Air Support.

Shortly after arriving at Speskop, he was briefed by Van der Linde that he would be responsible for planning of all Special Forces airborne operations, and might be required to take part in some "unorthodox" operations. Van der Linde said he had been ordered to do so in the past and if asked to fly an aircraft from which "terrorists" would be thrown, Potgieter should first make sure the orders had been approved at top level. Potgieter refused point blank to take part in such flights and informed the Special Forces commanding officer accordingly.

Potgieter said his tasks ranged from planning air support for Special Forces to flying covert operations, cross-border operations and assisting the Civil Cooperation Bureau. He said he met Basson in 1987 and had to obtain his permission for use of the Piper Seneca, which was under Basson's control. He met Johan Theron in 1983 when he was called by Van der Linde to arrange an official SAAF aircraft for Theron for a flight from Air Force Base Swartkop to, Potgieter thinks, Bloemfontein. On arrival at the air base, Potgieter saw Theron and an unknown man help two individuals, who were "obviously" drugged, into the aircraft.

Potgieter testified that one Saturday morning, he was ordered by Gen. Joep Joubert (officer commanding Special Forces) to fly a helicopter to Phalaborwa and to meet Theron there. Joubert had told Potgieter he was to take a Mozambican man back to Mozambique, dropping him five to seven kilometres beyond the border. The pick-up was at the 5 Recce shooting range. When Potgieter landed there, Theron and Drew helped a third person, dressed in a white overall, to the helicopter. Potgieter said the man was ashen-faced when he was loaded



into the back of the helicopter and as soon as Theron settled into the co-pilot's seat, he asked if the man was still alive. Theron said yes. They flew to the prearranged landing site, where Theron removed the passenger from the helicopter and laid him on the ground. Potgieter and Theron spent the night at the Coach House in Tzaneen before Potgieter returned to Grand Central the next day, December 13, 1987.

During cross examination, Potgieter said that in 1990 he had to acquire an aircraft with which to conduct cover reconnaissance operations for the SADF. The aircraft was registered in the name of an American front company which Basson and American attorney David Webster had arranged. Potgieter said Webster was the company director/shareholder. Basson told Potgieter that Webster could be of assistance as he was extremely pro-South Africa and the former Rhodesia.

Potgieter travelled to the United States to meet with Webster regarding the establishment of the front company for the aircraft - a normal subterfuge in the world of intelligence and espionage, according to Adv. Cilliers, since an American-registered aircraft would have easier access to American and European airfields and draw less attention from customs officers than a South African-registered one.

### **Wednesday 7 June, 2000**

The prosecution team called **Floris Laubscher, a qualified chemist and physicist** and 22-year veteran of pyrotechnical projects at Denel subsidiary, Swartklip Products, who was in charge of CR weaponisation from 1987 to 1994.

Laubscher said the top secret project was officially ordered by Armscor, which supplied Swartklip with the CR powder to load into 11 966 hand grenades, rifle grenades, 81mm mortar bombs and 1 373 155mm G5 projectiles. The powder was transported from 91 Ammunition Depot at Naboomspruit in the Northern Province to Swartklip's factory at Phillippi on the Cape Flats at regular intervals. Hand and rifle grenades were routinely filled by Swartklip and the CR weapons were created from their own stock. The mortar shells were provided by Armscor and 155 mm projectiles normally loaded with smoke by Swartklip were used.

The project began with research into the most suitable delivery methods for CR and erection of two special buildings for the project. Over the seven-year lifespan of the project, known at various times as Newly, Keyboard and Cargo, hundreds of pyrotechnical tests were carried out before weaponisation of each batch. According to Laubscher, Swartklip has been the leading pyrotechnical test facility in South Africa for the past 50 years and even now, there is no other facility that can match it.

Pyrolytic tests, however, could not be done at Swartklip, and because of the top secret nature of the project, CR powder was compressed into tablet form and given to Enslin Smit, who arranged that these tests be conducted elsewhere. Laubscher said the tests were so sophisticated that it had been necessary to buy equipment from the East Germans and Libyans at a cost of R5,5-m in 1985 (Charge 1).

Laubscher said he met Basson only once, for about 10 seconds, at Swartklip. After this, however, he had some telephone contact with Basson, usually enquiring when the next batch of 81mm mortars would be ready for delivery. On one occasion, Laubscher said, Basson told him he was sending an aircraft to Ysterplaat to pick up the consignment and Laubscher arranged that the mortars be loaded there.

According to Laubscher, the G5 projectiles loaded with CR had to be destroyed after South Africa ratified the international treaty on weapons of mass destruction in 1997. The irritants were removed and replaced with smoke.



Laubscher said that in 22 years at Swartklip, he never saw or received a single pyrotechnical report from the Special Forces laboratories at Speskop. There was no reason he can think of why Swartklip should not have weaponised other substances - such as incapacitants - as well. An SADF test range at Macassar was used to test irritants away from populated areas and this could as easily have been done in respect of substances such as methaqualone.

In cross-examination, Laubscher confirmed that Swartklip was never involved in weaponisation - to prototype stage - of methaqualone, BZ or amphetamines. He also conceded that weaponisation of CR was an extremely sensitive matter and that the supply of CR weapons to Unita would have been even more sensitive.

**Thursday 8 June, 2000**

**Clinical toxicologist Dr Gerbers Muller** of Stellenbosch University was called as the next witness.

In addition to being an anesthetist, Muller also has a doctorate in pharmacology and lectures on the subject. He is widely published - especially on the subject of antidotes and treatments - and set up the Tygerberg Poison Information Centre in the 1980s, and continues to serve as the head of the centre, which offers a nation-wide 24-hour poison service. Muller's special fields of interest are biological toxins, the effects on humans of chemical poisons from sources other than agricultural or household substances and snake venom. He has also studied traditional medicine in the African context, analgesic poisoning, scorpion, snake and spider poisoning and benzodiazepines (e. g. valium). Practical experience has included treatment of arsenic poisoning and accidental poisoning by organophosphates.

Muller compiled a comprehensive report on the substances that make up Andre Immelman's Roodeplaat Research Laboratory Sales List for the prosecution and gave additional testimony on the substances Tubarine, Scoline, Vesperax and Ketamine/Ketelaar. Muller said that he had little success in finding information about Silatrane since there is virtually no literature about the substance which was synthesised at Delta G Scientific.

Muller provided an short outline of the effects of all the toxins and drugs mentioned in court thus far. He told the court that the items on the Sales List are all toxic, some extremely so. Administration of some items would be untreatable, since even in minimal doses, they are potentially lethal.

In cross examination by defence counsel, Adv. Jaap Cilliers, Muller agreed that in order to test the efficacy of a given toxin in different food or drink, various dietary items would have to be tested. He could not, however, see a place for super toxins in normal biological research - Vitamin D3, for example, has no therapeutic use in overdose. According to Cilliers, however, it is used in immunological research, specifically related to cancer. Muller dismissed Cilliers' suggestion that Cantharadine is used in research on skin blisters - Muller has never encountered such research and says it would be highly irresponsible to apply even a small amount of Cantharadine to the skin for any purpose.

## **Trial Report: Twenty-Two**

This report covers the period 9 - 13 June, 2000

**Friday, 9 June 2000**

**Bio-chemist and bio-technologist Dr Lucia Steenkamp**, the only person who did peptide synthesis at Delta G Scientific (from 1987 to 1991) returned for completion of cross-examination. Steenkamp agreed with defence counsel, Adv. Jaap Cilliers, that the peptide synthesizer at Delta G was not a production scale model. She also agreed that current



technology is well advanced and that it is both easier and more accurate to synthesize peptides - even on biological warfare scale, than it would have been a decade ago.

During a debate with Steenkamp, Cilliers claimed that literature from the United States records the possibility of constructing "bridges" which can alter the bonding properties of peptides. If, for example the manipulation of emotions is the objective, you can simply block the brain cell, rather than bonding the peptide to the brain cell. A chemical that can be used to do this is, for example, BZ. Cilliers said that work was done at the Special Forces headquarters laboratories with the intention of developing peptides that could be released into the air. The belief was that if these peptides were to be released during a riot, the participants would inhale them and they would be absorbed through the receptive nasal mucous membranes. Steenkamp said in order to achieve this goal, the air would have to be saturated with peptides, a kilogram or more being needed at a time. The judge intervened, asking Steenkamp if she believed a medical doctor could have conducted such advanced peptide work 11 or 12 years ago to which she replied, no.

Steenkamp said that in order to help the court, she had done some research on the sequence of brain peptides and how they were decided on. Her findings are that 64-million possible combinations/computations would have to be tested in order to produce a small, six-link peptide. Even a chain of three amino acids would require the synthesis and testing of 1 000 peptides before the right one was found. It had taken her 3,5 years of full-time research to achieve basic peptide synthesis. She was skeptical that any more advanced work was being done in South Africa at the time and said she would like to see the reports of that work. Unfortunately, said Cilliers, although the documentation does exist, it is recorded on the CD Roms to which only the State President can authorise access.

The Truth and Reconciliation Commission recommended, in its final report, that suitably qualified, independent scientists be granted access to the CD roms to assess their contents.

### **Monday, 12 June 2000**

**Orthopedic surgeon, Dr Kobus Bothma** flew in from Canada to take the stand. He was warned against self-incrimination in charges 39-44 (the murder of three men at Dukuduku) and the broad conspiracy charge, 63. The prosecution gained a court order against publication in South Africa of any photographs of Bothma, on the grounds that he intends re-establishing himself in South Africa and fears that his wife and children could be victimised as a result of his testimony about chemical experimentation.

Bothma told the court that he joined Special Forces after qualifying as a doctor. He was recruited by Basson to join the Special Operations Unit while working at 1 Military hospital. Bothma's work initially focussed on logistics and developing first-aid courses for Special Forces medics. Like other Special Operations Unit doctors, he worked part-time in the casualty ward at 1 Military hospital and accompanied Special Forces members on military operations. Bothma said he only ever went on cross-border operations.

One of his first tasks as a member of Special Operations was to pack the medical bags of doctors who were going into the field. He said that Tuberine and Scoline were not standard issue in these kits. He also said it was highly unlikely that operator, Johan Theron would have had free access to these drugs. Theron testified earlier in the trial that he had used these drugs to murder people identified as targets by the South African Defence Force.

Bothma told the court that one day during 1983, Basson told him that "orders" had been issued for three people to be killed. Bothma was instructed to liaise with, and accompany Johan Theron on the mission. When Bothma asked Basson why he had to go with Theron, he was told the victims had to be sedated for the trip. Basson gave Bothma a bottle containing a jelly-like substance and told him to smear some of it on the victims and observe the results. Bothma was concerned about his own safety and asked Basson if the jelly was toxic or in any



way dangerous. He was assured it was not, and was simply a carrier substance, to be tested for possible skin reaction.

Bothma and Theron left the next day for Dukuduku in KwaZulu/Natal in Theron's vehicle. Somewhere outside Pretoria, they were met by one or more men in a Volkswagen mini-bus. Three black men were in the mini-bus. Theron told Bothma to sedate them. Having been told by Basson to use Medazolam (of which Dormicum is a trade name) Bothma injected the substance into cans of cold drink given to him by Theron. The three victims, bound hand and foot and all in their late 20s/early 30s, drank the cold drink and fell asleep.

On arrival at the Dukuduku military base, where Bothma had done some of his Special Forces training, Theron shackled the three men to trees overnight. The next morning, Bothma and Theron went to the men, and Theron pointed out that one of them had almost sawed through the branch to which he was handcuffed in an attempt to get free. Although the three men were conscious, Bothma does not think they realised what was going on. Bothma donned a surgical glove and smeared some of the jelly onto the upper arm of one man. He had earlier also applied a small amount of the substance to his own skin, and had no reaction. He and Theron waited a while to see if the victim showed a reaction. When he did not, Theron told Bothma: "It's time for these three to say goodbye". At this point in his testimony, Bothma broke down - briefly. When he recovered his composure, Bothma said he knew Theron meant the three men had to be killed. He "couldn't take it" and told Theron he was leaving. He went for a walk on the shooting range, returning about 10 minutes later to find Theron putting the three corpses into body bags. Theron had told Bothma the day before that he planned to use Tubarine to kill the men. Bothma knew this would result in an excruciatingly painful death (by suffocation) and had given Theron an ampoule of Ketelaar to use first, so that "at least they would be asleep when he used the Tubarine".

Bothma helped Theron load the body bags into the aircraft piloted by Matie van der Linde. When Theron asked if he wanted to go with them on the flight, Bothma agreed "because I felt extremely intimidated, and didn't want them to see how upset I was". They flew out over the ocean in the direction of St Lucia and the bodies were thrown into the sea. Bothma remembers that at some point during the day, he, Theron and he thinks Van der Linde, went to cast their votes in the tricameral referendum. They spent the night at St Lucia and the next day, he drove back to Pretoria. Soon afterwards, he encountered Basson at Speskop and told him the jelly had no effect at all on the victim. They did not discuss the matter further. Bothma said he was traumatised by the incident, and has been through "20 years of hell" since it happened. However, Bothma said he did not consider the Dukuduku jelly part of a chemical warfare experiment, since he had been assured by Basson that it was harmless - and since Basson was his "chief" at the time, and he trusted him, he knew that Basson would never do anything that would endanger Bothma's own safety.

Bothma testified that after leaving Special Forces in 1991, he was approached by Dr. Philip Mijburgh to assist in scanning thousands of pages of documents onto CD. Bothma, who has an interest in computers agreed to assist. He and Dr. Klaus Psotta scanned 10 boxes of documents and saved them onto CD. He said that the documents were shredded thereafter. Bothma claims not to have read the documents but said they looked like a data base of literature.

During cross examination Bothma denied Johan Theron's testimony that they took turns in injecting the Dukuduku victims with Tubarine and Scoline. He said he has asked himself thousands of times since the incident, why he had to accompany Theron on the operation and cannot find an answer. Possibly it was because the victims had to be sedated - or, as he says in his statement, because he had to certify death. Cilliers said both suggestions were absurd. Theron had testified that by the time of the Dukuduku operation, he had already killed "hundreds" of people by injecting them - and given that the victims were to be dumped in the sea, there could have been no point to a medical doctor being around to certify death. Nevertheless, Bothma denies administering lethal injections to anyone.

**Tuesday, 13 June 2000**



The cross examination of **Dr. Kobus Bothma** continued. Cilliers put it to Bothma that Theron had not implicated Basson in the Dukuduku incident during his testimony and that Bothma was tailoring his testimony to implicate Basson.

Cilliers also put it to the witness that the standard medical bags of doctors accompanying Special Forces operators did include hand held ventilators and the muscle relaxants Tuberine and Scoline. Bothma agreed that ventilators were included but denied that the drugs were standard issue.

It was placed on record that Basson denies ever ordering Bothma to accompany Theron to Dukuduku.

The court has adjourned until Monday, July 31, when Anton Ackerman will resume testimony on the fraud charges. The tentative dates for the court's trip to Florida to hear testimony from attorney David Webster are August 29 to September 15.

## **Trial Report: Twenty-Three**

**This report covers the period 31 July - 3 August 2000.**

### **Monday 31 July 2000**

Court resumed after a six week break. The focus of the trial has shifted from the human rights violation charges of the previous court session to the fraud charges. The last weekly report indicated that the court would move its hearings to Florida, USA to hear the evidence of American attorney, David Webster in late August, early September this year, it is now expected to undertake the trip in mid-October.

The trial resumed with testimony from external auditor **Petro Theron** (referred to in all previous reports as Pierre Theron), the sixty-third witness to take the stand since the trial began last October. On what is only the 96th day in court, prosecutor Anton Ackerman, SC, led the state's case. Theron is qualified chartered accountant who spent much of his career with Coopers & Lybrand auditing top secret defence projects for both Armscor and the South African Defence Force.

While it had been generally assumed, and put to the court by several previous witnesses, that Theron was the external auditor of Project Coast, he never acted in that capacity, but was the external auditor of the SADF front companies set up to serve Project Coast, namely Delta G Scientific, Roodeplaat Research Laboratories, Infladel, Sefmed and D John Truter Financial Consultants. His annual audit reports were not even submitted to the SADF, but rather to the chief executives of the companies concerned. Theron was given the assurance that the companies he audited were the only fronts serving Coast.

Theron was responsible for checking that the amounts allocated within the global budget to the companies concerned, were used for authorised expenditure. This, he told the court, could only be done up to a point because of the clandestine nature of the companies activities and the subsequent lack of documentary proof of transactions. Auditing the companies was complicated by the fact that a high percentage of transactions involved a single individual - Dr Basson - and it was "impossible" to accurately audit deals of that nature. Theron was also unable to audit the application of large sums of money transferred to foreign bank accounts by Chief of Staff Intelligence and/or Chief of Staff Finance on behalf of the project. His probe could extend only as far as the transfer of funds, but after that, he had no way of checking what they were used for.

Theron explained that clandestine projects do not normally have invoices as proof of purchase and, therefore, the bona fides of the project officer were crucial and his word unimpeachable. Theron said he trusted Basson implicitly, and had absolutely no reason ever



to doubt his veracity. Indeed, Theron held Basson in the highest regard as a medical man, respected his achievements on Project Coast and recognised his superlative intelligence at all times. Nevertheless, Basson's word was Theron's sole yardstick for measuring receipt of equipment, goods and services against expenditure. With the exception of limited bank documents, a few contracts and office rental agreements, Theron saw virtually no documentation at all.

Theron explained that it was acceptable practice for Basson to make use of foreign bank accounts held by people sympathetic to South Africa to hide the true nature of the transactions. Basson's links to the military would have prevented him from opening such accounts.

In Theron's opinion, management and control of Project Coast was at all times dominated by Basson and only he could, for example, account for the purchase and control of chemical substances from foreign suppliers.

Theron is suffering from ill-health and had to leave the court before the end of the day.

### **Tuesday 1 August 2000**

External auditor Petro Theron's testimony continued to shed light on the absence of any suspicion that Project Coast funds were being abused. He reiterated that he was dependent on Basson for the justification of Project Coast expenditure, as had been Gen. Knobel. He admitted to having no knowledge of some deals conducted by Basson, including the deal in which the Jetstar was allegedly swapped for a peptide synthesizer, as previously claimed by Basson's defence team.

Contradictions emerged between Theron's understanding of many of Project Coast deals and answers provided by Basson to other inquirers, discrepancies were also uncovered regarding Theron's audits and claims made by the defence earlier in the trial. Indeed, there were even discrepancies between statements Knobel made to the Office for Serious Economic Offences during its investigation and statements made to Theron regarding the status of companies associated with Project Coast.

Theron told the court again that he never carried out any physical inspection of Project Coast facilities to verify the existence of equipment. He relied entirely on the documentation sometimes produced and kept by Basson or Military Intelligence, and Basson's word. Since the documents Theron was shown were signed by Knobel, he had no reason to doubt their veracity.

Theron said one of the biggest problem areas, in terms of auditing Project Coast, was the acquisition of chemical substances, which were "totally unavailable" in South Africa, and for which Basson, as project officer on the ground, was the sole person who could judge whether the price paid to suppliers was "fair".

### **Wednesday 2 August 2000**

Questioning of Petro Theron continued, focussing on the responses he and Knobel made to the Office of Serious Economic Offences during their inquiry.

Theron told the court that he was unaware of a number of deals Basson was shown to have been involved in and questioned irregularities in the way in which the deal for the alleged purchase of Chemical Agent Monitors from Graseby Ionics was reflected in the books. Theron said it was not acceptable for Basson to have withheld information regarding Project Coast deals from him.

### **Thursday 3 August 2000**



Theron's testimony continued to reveal his trust in Basson. In 1994 the Office for Serious Economic Offences (OSEO) posed specific questions to former Surgeon General, Gen. Niel Knobel and Theron, the answers provided by satisfied the auditor. The prosecution is claiming that these answers were a "total fabrication". So reluctant was Theron to even consider the possibility of fraud that during 1994, OSEO investigators accused him of being a close friend of Basson's, and of enjoying overseas trips with Basson at Project Coast's expense. The accusations incensed Theron, but he continued to believe in the integrity of Basson's word, dismissing the OSEO probe as a witch hunt.

The only transaction which Theron had reason to be suspicious of was the deal involving the alleged purchase of 500kg of a methaqualone derivative from Croatia in 1992. Theron was unable to get any documentation relevant to these transactions from Basson. By the time Theron submitted his final Project Coast audit, in May 1994, the Croatian deal had still not been clarified, and the Auditor-General was left with no choice but to write off the amount.

Theron said he found nothing irregular about the privatisation of Delta G Scientific and Roodeplaat Research Laboratories, despite the family relationship between Philip Mijburgh and Magnus Malan. By the time the privatisation proposals reached Malan, as defence minister, and Barend du Plessis, then finance minister, all they were required to do was rubber-stamp the deals, he says. They were not involved in structuring the deals, and there was no suggestion of nepotism, since the relationship between Mijburgh and Malan was "widely known" in military circles.

The court only sat for the morning session. Cross examination of the witness is expected to take place next week.

## **Trial Report: Twenty-Four**

This report covers the period 4 - 10 August 2000

### **Friday 4 August 2000**

Day 100 in court since the trial began on October 4, 1999 was marked by media reports that Basson's legal fees have cost the state R4 million since his arrest on January 29, 1997. This does not include the prosecution costs, those of the seven-year Office for Serious Economic Offences investigation, or the ongoing cost of forensic auditor Hennie Bruwer's investigation.

The fifth day of evidence in chief from **external auditor Petro Theron** focussed largely on the privatization of front companies Delta G Scientific and Roodeplaat Research Laboratories, in which Theron was closely involved from an auditing point of view. Theron explained that the one clear stipulation in the privatization of the companies was that as long as money was owed to the State by the "privatized" companies, no State employee was allowed to hold any interest in them. At a late stage in the privatization process, Theron expressed concern, to Admiral Murray, who by then was Chief of Staff Finance, about the shareholding, which saw 51% of Delta G allocated to Philip Mijburgh, through Medchem Consolidated Investments, and the same holding in RRL given to Wynand Swanepoel, through Contresida Holdings. In both cases, the remaining 49% was to be divided between "everyone else", including directors and personnel. Theron thought it unfair that the lion's share of the companies was given to the two chief executives, while the staff, whose welfare was allegedly one of the main concerns, were given far smaller shareholdings. Basson was "extremely upset" that Theron had not brought this matter up earlier in the process, but despite the auditor's reservations, the shareholding was approved.

Theron said he was unaware of Basson's interest in some of the companies linked to Project Coast, such as Protechnik, this he said was highly irregular and had he known he would have objected to it.



Theron knows very little about the sale of NBC suits, allegedly for Basson's personal benefit. He can shed no light on the alleged purchase of proximity fuses for R3,8-million, since no such transaction was ever reflected in the books he audited, nor on the secret bank account of Regent International Trading Services, operated in direct contravention of his earlier instructions that this account be closed, or the secret account of D John Truter Financial Services, used to channel proceeds from the NBC suits deal. The deposit of R3-m into this Truter account on May 28, 1991 and transfer from it on June 25 of R2,86-m to Charles van Remoortere's Luxembourg account, are not reflected anywhere in the Project Coast books and Theron has found no documents authorizing the transaction.

### **Monday 7 August 2000**

The cross-examination of **Petro Theron** began today. Theron reiterated his concern that Basson had not informed him of some of the deals that had taken place. He told Basson's defence advocate, Jaap Cilliers, that had Basson approached him for assistance in structuring covert deals he would have provided it and that way could have avoided his current situation. Cilliers reinforced the picture that has emerged thus far, that Basson had to act on his own, that Project Coast was unique in every way and not even Gen. Knobel or his fellow Co-ordinating Management Committee members wanted to know the details of Basson's transactions, and indeed, given the sensitivity of the project, no one really wanted to get involved, including the SADF and Armscor. Theron admitted that he did not really want to know the full story behind the acquisition of chemicals, in particular, lest the knowledge endanger his personal safety, or that of his family.

Theron conceded that normal rules and regulations governing covert operations could not always be applied to Coast. He had the names of only three SADF officers to whom he could have taken any problems that arose, and it was true that in respect of clandestine foreign deals, Basson acted alone. Because of this, even if he never put a foot wrong, he would always be vulnerable to suspicion.

The crux of all Basson's problems, said Cilliers, is that documents, equipment and chemicals have all been destroyed, hence he is unable to offer proof of purchase. At the time of the transactions, international sanctions were being rigidly enforced and the few who dared risk helping South Africa did so under threat of enormous personal danger, which meant ways of protecting them had to be built into the project.

Theron remained adamant that Basson should have informed him that middle men and intermediaries were being used as conduits for project funds. But, said Cilliers, if an agent supplied goods, and was duly reimbursed, it had nothing to do with the auditor if those funds were then moved elsewhere. Theron agreed that if an agent was involved, his interest would extend only to payment of that agent on delivery of goods. But if the actual supplier and ultimate beneficiary of funds was not the person indicated on the authorization documents, project funds remained of interest to the auditor until they reached their final destination. Cilliers countered saying that all the CMC was interested in was: Did we get something for our money, and did Basson adhere to the rigid policy of not enriching himself in the process.

Theron was questioned about the peptide synthesizer, which he said he never saw despite the fact that he audited the laboratories at the Special Forces Headquarters, where the peptide synthesizer was allegedly kept. Theron said he had steered clear of the laboratories because Basson had told him the equipment was being used for research into something that could "scramble your thoughts".

Cilliers said it was impossible for Basson to have misappropriated 60-70% of all funds involved in foreign transactions for Project Coast. Cilliers reminded the court that Gen. Knobel and former National Intelligence Agency Deputy Director, Mike Kennedy testified that the program was very successful, being second only to that of the Russians. The technology, chemicals and specialist equipment needed to achieve this success were not available in South Africa. It would therefore have been impossible, argued Cilliers, for Basson to have



created the world's second most successful program if he had stolen two-thirds of the foreign funding.

### **Tuesday 8 August, 2000**

Cross-examination of **Petro Theron** continued and re-examination of the witness was concluded. During cross examination, counsel for Basson, Adv, Jaap Cilliers placed on record that Basson denies making any deceitful proposals, as alleged by the State, in order to defraud the South African Defence Force (SADF), or that he ever stole any money from the SADF. The denial covers all 23 fraud charges.

During cross-examination, Cilliers put it to Theron that in many instances he was not required to be aware of the way in which Basson conducted his business, that once the money had been approved for expenditure, the way in which Basson moved the money was of no consequence, just as long as it was ultimately used for the intended purpose. Theron disagreed with Cillier's assertions.

Following Theron, the court heard evidence from **former Minister of Finances, Barend du Plessis**, who authorized the privatization of Delta G Scientific and Roodeplaat Research Laboratories. According to Du Plessis, he was had only been in office a very short while when he was called upon to authorize the privatization and relied entirely on the auditor, Peter Wronsley, for his understanding of the deal. Du Plessis said he was unaware of the family relationship between Philip Mijburgh (who was the MD of the company and who would have benefitted from the deal). He said he should have been informed of this.

### **Wednesday 9 August, 2000**

The court did not sit on Wednesday, it was a public holiday in South Africa.

### **Thursday 10 August, 2000**

**Jacobus "Vic" Botha**, a retired member of the SADF Inspector-General's staff, was called to testify. Botha was responsible for an audit in 1990 of the physical assets of D. John Truter Financial Consultants and the financial management of the front company.

The defence has tried consistently to persuade the court that this audit, which included a physical inspection of 20% of equipment, covered Project Coast in totality, and thus there ought to be no questions about the existence of apparatus which Basson claims was bought with funds sent abroad. Botha's audit was, however, confined to the premises and affairs of D John Truter - and the "equipment" he verified was in possession of the front company, was nothing more than desks, office chairs, computers and typewriters.

At the time Botha requested access to Delta G and to other facilities used by Project Coast in order to conduct a broader audit. He was denied access since the sites did not fall within the Inspector-General's mandate, and security prohibited the access he sought, despite the fact that both Botha and his superior, Colonel Jacobs, had top secret clearance.

Botha was never aware of the existence of a Management and Financial Working Committee attached to Coast, and never attended a single meeting, although a document filed by the prosecution records that the committee included a representative of the Inspector-General's office (not named in the document). The chairman was Gen.Niel Knobel, with Basson acting as secretary and the chief executives of Delta G and Roodeplaat Research Laboratory as committee members. The purpose of the committee, stated in the document, was to liaise with both Military Intelligence and the Inspector-General on the financial policy and controls of Coast, in accordance with guidelines drawn up by Military Intelligence to ensure the proper control and management of the project finances.



During cross examination Adv. Cilliers put it to the witness that other members of the Inspector-General's office had attended meetings of the Management and Financial Working Committee.

**Wally van Heerden of the Auditor General's office** was called next. He has been employed by the Auditor General's office since 1963 and is currently the senior manager in charge of audits of both the South African National Defence Force and the South African Police Services. Van Heerden was assigned to Project Coast from the start - July 1, 1982. He rejects earlier defence claims that Coast was the SADF's most sensitive and thus uniquely handled project. The nuclear bomb project was equally, if not more, sensitive, says Van Heerden, and was thoroughly audited by his office.

Van Heerden explained that whilst he had conducted various audits over a number of years, for some time he also relied on the reports of Petro Theron. Van Heerden confirmed that Theron had said that the Croatian deal (allegedly involving the purchase of 500kg of a methaqualone (mandrax) derivative, and according to the defence also involved the purchase of a quantity of BZ) was suspicious.

Van Heerden's testimony continued on Friday, 11 August 2000.

## **Trial Report: Twenty-Five**

This report covers the period Friday 11 August to Thursday 17 August, 2000

### **Friday, 11 August 2000**

**Wally Van Heerden of the Auditor-General's office** continued to give evidence that he had started on Thursday 10 August. During questioning by the prosecutor, it emerged that the National Intelligence Agency had been investigating Basson and Project Coast for some time prior to the Office for Serious Economic Offences (OSEO) investigation.

One of the key questions emerging from the OSEO investigation was how the auditor, Petro Theron had failed to pick up any irregularities during the years he was the auditor. According to Van Heerden, and despite Theron's testimony to the contrary, Theron did serve as the Project Coast auditor from November 1987.

Van Heerden said that when Basson was forced to take early pension in December 1992, after the Steyn Commission report he was also under investigation by Military Intelligence in relation to possible fraudulent activities .

According to Van Heerden, neither he nor the Auditor General's office was ever informed that Basson was a signatory to the various bank accounts uncovered by the forensic audit (conducted by Hennie Bruwer), nor that he had an interest in any of the Wisdom/WPW companies mentioned in the indictment. If Project Coast funds were channelled through these bank accounts, and even if there were reasons why the project managers did not see fit to inform auditor Theron about them, the Auditor General's office should have been fully apprised. The only way the Auditor General's office could have determined that no one connected to the project was on the receiving end of financial gain, was if they had been in possession of all information. The State does not enter into contracts with its own employees, and there was a non-negotiable onus on Basson to declare all and any interests he had in companies doing business with Project Coast. He had not done so, even when specifically questioned during the OSEO probe.

From a project security point of view, Van Heerden said it was strange that foreign bank accounts for the WPW/Wisdom group had been opened and run by Basson using his own identity and address. The whole point of using secret accounts was to hide the military links,



and Van Heerden finds it incomprehensible that Basson, for example, bought two apartments in Brussels, and a King Air aircraft, using his own identity.

In cases where funds originally earmarked for one purpose were diverted and used for another, due to prevailing circumstances, it was incumbent on the project officer to fully inform the auditor and/or Auditor-General of these facts. This applies to the peptide synthesizer, funds used to buy DNA probes and Thymus peptide instead, and especially to the use of project funds as security for a loan to buy the Jetstar.

In cross-examination, Adv. Cilliers put it to Van Heerden that once project funds had been paid to the supplier/agent, it was of absolutely no concern to the auditors what happened to the funds thereafter. If a supplier wished to record in his company's books that payment for goods had actually been for purchase of share capital, in order to disguise his help to the project, and even if Basson, as was his mandate, assisted in creating such a cover story, supported by documentation, this had nothing at all to do with the auditors. The only question to be asked was: Did Project Coast receive what was paid for? Van Heerden differed, saying the structure of payments also fell within the audit ambit.

The argument went back and forth until Judge Willie Hartzenberg intervened, putting it to Van Heerden that the auditors would only have had reason to probe the flow of funds if goods were not received, and that clearly, if they were, the further disbursement of project funds paid to a supplier/agent could not possibly be of any interest, and that in that scenario, any obligation on Basson to disclose "assistance" in facilitating the flow of funds, would fall away. Cilliers agreed saying that furthermore, Basson had merely acted in accordance with his mandated cover-story, namely that he was a successful international businessman.

#### **Monday, 14 August 2000**

**Cross-examination of Wally van Heerden** continued. Adv. Cilliers put it to Van Heerden that it was not until 1990 that authorisation of front company bank accounts had to be obtained annually from the Minister of Defence. Van Heerden disputed that saying that amended regulations issued in 1992 required authorisation by the Treasury, but up to that time, the Defence Minister was the responsible person. He rejected the suggestion by Cilliers that Project Coast was exempt from such regulations, since there is no reason why Coast alone should have had special consideration, there is nothing on record to this effect. Cilliers ended the session with a formal denial by Basson of any fraud being perpetrated or any theft of Project Coast funds.

In re-examination, Anton Ackerman challenged Cilliers' claim that the Auditor-General should have had no interest in the use of project funds once they had been paid to the supplier/agent, pointing out that in numerous cases, the funds had moved from the alleged middle-man to companies and bank accounts within the WPW/Wisdom group, in which Basson had both a controlling interest and signing powers, and that it was Basson, as shown in documents already filed with the court, who then determined how the money was to be used. Van Heerden said this would not only have been irregular, but should have been disclosed by Basson during audits.

The next witness was **Dr Hennie Jordaan**, who holds a Ph D in medicinal chemistry from New York State University. Jordaan's testimony focussed on the peptide synthesizer and work done at Delta G in that regard. Jordaan said he doubted that Basson, himself, had the skills to synthesize peptides despite him having a high regard for Basson as a doctor. Jordaan disputed Basson's claims that a sophisticated peptide synthesizer was needed for the synthesis of mood changing peptides, which is alleged to have cost the state R2million. Jordaan said the most sophisticated machinery would have cost a quarter of that amount. He also said that peptide synthesizers were freely available to South Africa, despite sanctions, and that there would have been no reason to acquire one clandestinely.



In relation to the purchase of 500g of Thymus, Jordaan said it was a huge amount of the peptide to have been purchased, saying such an amount would only be bought for large scale immunization. However, he could see no reason for this to have been used in a large scale immunization programme, and said it was unsuitable as a chemical warfare agent. In addition, he said that Delta G would have been able to synthesize that amount of Thymus within two months had it been required.

Jordaan said that the DNA and RNA probes, which Basson and his defence counsel claim were to be used to calibrate the peptide synthesizer, could not have been used for this purpose and if they had been needed for research into brain manipulation, a multi-disciplinary team of scientists would have been necessary. One person alone could not possibly conduct such research. At the very least, the team would have to include a chemist, bio-chemist, molecular pharmacologist, various physiologists and clinicians.

### **Tuesday, 15 August 2000**

**Jordaan** continued giving evidence. He said that he had been involved in the development of a unique process of synthesizing PMK, from which MDMA (Ecstasy) was made. The development was not a success and the work was handed over to Dr. Johan Koekemoer to continue.

Jordaan said he was unaware of the large scale manufacture of BZ at Delta G although he was aware of the synthesis of small amounts of the agent. In Jordaan's view, weaponisation of Ecstasy would have been futile, since it is a salt and would not disperse freely when combined with the high explosives needed as a propellant. As for weaponisation of Ecstasy in 120mm mortar bombs, Jordaan has "never even seen a mortar".

Regarding the alleged sale of technology for PARA-CHLORO-ORTHO-CRESOL (PCOC) in February 1993 for £500 000 paid to Blowing Rock Controlling Investments in two equal cash installments of £250 000 by Dr David Chu, Jordaan says if the deal involved a substance supposedly developed at Delta G, he can confirm that they did look at a process to manufacture PCOC, a chlorination product made from Phenol, a by-product of the oil-from-coal process perfected by Sasol. PCOC is a dual purpose product: an antiseptic not unlike Dettol but which is no longer widely used, and a broad leaf weed-killer, MPCA, which has also fallen out of favour and is now produced only on a small scale in South Africa. The product is probably at least 100 years old, said Jordaan, and Delta G's research, based on readily available literature, was aimed at finding a way to manufacture the active ingredient of Dettol. However, it was not a cost effective exercise and the project was abandoned.

Cross-examination of Jordaan will take place on Wednesday morning.

The next witness was **Christoffel Bezuidenhout, commercial and marketing manager since 1983 with Fuchs Electronics**, manufacturer in South Africa of proximity fuses.

Bezuidenhout told the court that, in the case of mortars, electronic proximity fuses determine the height above ground at which detonation occurs. This is pre-programmed, and the most effective height above ground is 3-4 metres. Bezuidenhout rejected the claim, put to the court by defence counsel, that the 120mm mortars loaded with CR and supplied to Unita, were fitted with foreign-bought proximity fuses that caused detonation 250m above ground. Firstly, if the bombs served only as a carrier, and did not contain high explosives, the proximity fuse accelerator would have to be removed - not only an extremely costly exercise, but one which would seriously hamper the target accuracy of the projectile. More importantly, no proximity fuse could detonate at a height of 250m above ground. The absolute maximum height is 60m, and then the fuses have to be specially made. They cannot merely be modified.

Bezuidenhout said that until 1992, Armscor was Fuchs' biggest client in respect of proximity and timer fuses. All contracts were classified "confidential" rather than secret or top secret. As far as price is concerned, as recently as 1996/97, Fuchs supplied the SANDF, via Armscor,



with 3 229 proximity fuses at a cost of R3,1-million. The defence, has previously claimed that R3,8-m of the proceeds from the sale of protective suits was spent on buying proximity fuses for Unita 10 years ago.

Cross-examination by Adv. Tokkie van Zyl began by establishing that while Bezuidenhout is an expert on fuses for conventional weapons, he has little or no knowledge of chemical weapons. About 95% of business currently conducted by Fuchs is in the export market, which it entered in the late 1980s via Armscor. At that time, the inability to trace product was an important factor, due to sanctions, and a Fuchs-made proximity fuse could be traced by a numbered code stamped into the product. Thus, according to Van Zyl, if the SADF was supplying weapons to Unita but did not want the South African origin to be detected, it would have been better not to purchase proximity fuses locally.

### **Wednesday, 16 August 2000**

The **cross-examination of Hennie Jordaan** began. Adv. Cilliers put it to Jordaan that he was not aware of Basson's abilities in the field of chemistry, and said that Jordaan did not know of the SADF's chemical and biological warfare programme despite having worked at Delta G Scientific. Jordaan disputed the latter claim saying that he was aware of all the military projects conducted at Delta G as they had been the subject of discussions amongst scientists at the facility. With regard to Basson's abilities, Cilliers cited Basson's M Sc thesis entitled "Aspects of the Human Immune Response to Tripolyzone Species" as evidence that Basson did have the ability to synthesize chemicals. Jordaan drew attention to the fact that this the subject of a biological project, not a chemical one. He added that an M Sc in awarded for the science, not for chemistry.

With regard to CR, although Jordaan was involved in the initial work relating to the chemistry of the agent, he was not involved in the research into weaponization of CR. Cilliers claimed that there was a separate facility where pyrolytic tests were done. Cilliers also drew attention to the fact that three versions of CR were developed: a quick-acting version, a delayed-action version and one which caused excessive nausea but less damage to the eyes, nose and mouth. Jordaan confirmed this.

Cilliers asked Jordaan if he was aware that by mixing nerve gas with microlised powder in aerosols, the toxin is inhaled, causing terrible damage to the internal organs of victims, while leaving little or no trace externally, in the form of burns. He said that when Iraq began using this method, the international community initially thought Baghdad had created a new chemical weapon or substance, but then they realised it was just a new delivery system. According to Cilliers, Dr Gerald Bull worked on - and helped - Basson in this regard. Cilliers drew on this example to support his contention that alternative facilities existed where research was done on delivery methods for the chemical warfare agents produced. Indeed, regarding Jordaan's previously expressed opinion that MDMA, a salt, would not bond successfully with high explosives in weaponised form, Cilliers said a method was devised by which the substances bonded on detonation.

Cross -examination turned to the subject of the peptide synthesizer. Cilliers argued that while work of the sophistication allegedly conducted by Basson may not have been reported on in the scientific literature of the early 1990s, this did not mean that research of this kind was not taking place. He also said that peptide synthesizer's of the sophistication of that housed at the Special Forces headquarters may have been available at the time, but not on the open market.

The next witness was **Corrie Ferreira, an Army colonel who has been the Defence Force's technical ammunition officer for the past 22 years** and holds qualifications in explosives technology. Ferreira describes himself as an expert on the carrier shells used for CR and pyrotechnics and has unrestricted access to all Defence Force ammunition depots serving the Army, Air Force and Navy.



Ferreira told the court that electronic proximity fuses are not used on CR, smoke or tracer shells, since a high explosive booster is required for proximity detonation and this totally destroys and renders ineffective the contents of the shell.

According to Ferreira, not a single 155mm projectile loaded with CR was ever issued to any SADF unit, and all 1 373 were "destroyed" by being emptied of CR and re-loaded with smoke. Ammunition supplied to Unita by the SADF was dispatched via Military Intelligence, which obtained it direct from Armscor's factories or via the various SADF ammunition depots in a project named Operation Spyker. He said that records of all supplies to Unita now repose in the military archives, there is no record of a single 120mm mortar with proximity fuse being issued to Unita at any time. As part of Project Mouli, the need to fill 120mm mortars with CR was identified, he said, and R65 000 was budgeted for the 1986/87 and 1987/88 financial years to empty 120mm shells for this purpose, with R16 000 per year being budgeted for the same purpose in 1988/89, 1989/90 and 1990/91.

Records of 91 Ammunition Depot at Naboomspruit show that in 1996, 1 002 81mm mortars filled with CR were issued to Special Forces before all other CR-projectiles in the SADF arsenals were destroyed. Ferreira was unable to find any further records of the issue to Special Forces or the destruction of 81mm CR mortars. His records show that 11 966 hand grenades filled with CR were delivered by Swartklip to 91 Ammunition Depot, from where they were issued to various SADF units, including the Logistics wing of SAMS, which was responsible for training combat troops in the use of the grenades. The SADF still has 987 of these CR grenades in stock, along with 2 987 rifle grenades loaded with CR. In addition, about 20 blue drums containing 30kg each of unweaponised CR are still to be found at 91 Ammunition Depot, Naboomspruit.

During Angolan operations Modular (November 25 to December 12 1987), Hooper (December 13 1987 to March 8 1988) and Packer (launched March 8, 1988) Ferreira was in charge of destruction of all unserviceable and confiscated ammunition brought to Rundu and Oshakati from Angola, as well as at Cubelai in Angola. Not a single chemical weapon was destroyed nor, to his knowledge, was a single one recovered from enemy forces during the ongoing campaigns. The aim of Modular was to halt the advance of Fapla at the Lomba River, Hooper involved the final battle of Cuito Cuanavale and Packer was the start of withdrawal of all South African troops from Angola. Ferreira never saw a single protective CBW garment during the three operations. In fact, an NBC suit shown to him by the prosecution on the day he came to court, was his first physical sighting of such garment.

During cross-examination, Cilliers cited Floris Laubscher's testimony about an urgent request from Basson for CR projectiles (81mm mortars) which had to be delivered directly to a waiting aircraft at Ysterplaat. Since the SADF records produced by Ferreira did not reflect this and other similar consignments, Cilliers contended that not all the CR projectiles produced had found their way through official SADF channels. Ferreira, disputed this saying he was fully aware of the Ysterplaat deliveries - on one occasion, 216 mortars were supplied and on another, 168.

The court adjourned until Monday 21 August to allow the prosecutor time to consult with Bernard Zimmer who will appear as the next witness.

## **Trial Report: Twenty-Six**

This report covers the period Monday 21 August - Friday 25 August, 2000

### **Monday, 21 August**

**Belgian citizen, Bernard Zimmer**, took the stand as a witness for the prosecution. Zimmer is a management and financial consultant. He was introduced to Basson by Charles Van Remoortere at the end of 1985 in South Africa. At the time Van Remoortere had secured an



SADF contract and was doing business with Basson. Zimmer was aware that Basson was an SADF officer.

Van Remoortere had a personal bank account in Luxembourg which was managed by Zimmer. Some time after their first meeting, Basson asked to use the Van Remoortere account and Zimmer was granted signing powers on it from December 3, 1986. Van Remoortere played no further role in the running of the account and all instructions regarding it were issued to him by Basson. From December 1986 onwards, Zimmer ran the account exclusively on Basson's behalf and would have made no payments from it without his prior authorization/instructions.

At the same time, Basson instructed Zimmer to set up Luft as a holding company registered in Luxembourg. Subsidiary companies followed - Biskara, registered in England as a "trading" company, but according to Zimmer, it did very little business, General Golf Investments, which was to become involved in golf resorts, and Genavco, set up only in December 1993 with the express purpose of buying and running the Jetstar. Much later, in the second half of 1994, Zimmer also set up Investment Global at Basson's request.

Zimmer knew about WPW Inc, knew that David Webster acted as president and that Basson was the only other director. In terms of Luxembourg's legislation, anyone acting for a company must know the identity of the true beneficial owner, guarantees of secrecy notwithstanding. It is incumbent on the consultant to exercise due diligence in this regard and all documents in Zimmer's possession name Basson as the beneficial owner of WPW Inc. He also received instructions regarding all WPW Inc business in which he was involved, exclusively from Basson.

Zimmer testified about details of transactions involving the accounts he managed on Basson's behalf. Zimmer's evidence included a denial that \$2.4 million was used in April 1992 to set up a divisible performance bond, as claimed by Basson, in order to pay four Croatian agents for chemicals (methaqualone). Zimmer also testified about the Jetstar deal and a series of deals involving the development of a golf estate in Belgium, in which Basson was the beneficial owner.

## **Tuesday, 22 August**

**Zimmer** continued testifying about the disbursement of funds he managed on behalf of Basson. Zimmer told the court that during the first few months of 1993, after Basson was forced to take an early retirement from the South African Defence Force, Basson's company, General Golf Investments launched a bid to buy the luxury Fancourt golf resort at George. At the time, Fancourt was on the brink of bankruptcy and although its assets were valued at R130-million, the asking price was only R52-million. Zimmer, David Webster, Basson, Mijburgh and Chris Marlow were all closely involved in the proposed deal. At the time, General Golf Investments did not have sufficient funds to purchase the resort so a proposal was made to raise the needed funds. Basson sent Zimmer one of the Vatican bearer bonds which he had acquired, to use as security on a loan to fund the purchase. These bonds were later found by one of the banks approached for a loan, to have been stolen. Zimmer's evidence in this regard, calls into question the veracity of the claims made by Basson and Knobel in relation to the Croatian deals and Basson's arrest in Switzerland.

By August 12, 1993, the loan arrangement, for the purchase of Fancourt, appeared close to being finalized, and in anticipation, Webster, Marlow, Zimmer and Basson all signed documents giving them signing powers on the account to be set up at Lloyds Bank. The deal however ultimately failed to go through.

Zimmer testified about the deal involving the sale of NBC suits to a company by the name of Tagell. The deal is the subject of charges 11 and 12 against Basson. Zimmer explained the deal as follows. In 1989 Basson and Wilfred Mole introduced Zimmer and Charles van Remoortere a Liberian-registered company, Tagell. Zimmer and Van Remoortere's company,



Blackdale, was to sell NBC suits manufactured by Technotek to Tagell. A series of meetings took place in London with Mohammed Ali Hashemi, managing director of Tagell, and Mohammed Ravi Abdullah, who had a company of his own, Copperdale, operating out of the UK, but in this instance was acting as an agent for Tagell. The estimated value of the sale was \$65-million.

During the negotiations, Tagell requested that Blackdale create a performance bond to the value of 5% of the contract - or \$3,2 million. Blackdale did not have the money so Zimmer and Van Remoortere approached Basson for a loan. Basson deposited \$3,2 million in the Blackdale account, which was used as security for the performance bond. In return, Blackdale asked Tagell to provide a letter of credit. A draft was received, but it was unacceptable to Zimmer and Van Remoortere and they cancelled the performance bond. Tagell wanted to continue with the transaction, and asked Blackdale to issue them with a \$1,6-m cheque as security against delivery/breach of contract. Many more meetings followed resulting in David Webster flying to London to check the contracts. Eventually, the Blackdale directors agreed on payment of \$325 000 to Tagell and Zimmer himself took the cheque to London and handed it to Hashemi. A week later, Blackdale had still not received Tagell's letter of credit, so Zimmer returned to London. At the Tagell office, he was told by Hashemi that the deal was off, because Blackdale had created too many problems surrounding the creation of the performance bond - but Tagell would keep the \$325 000 as compensation for all the trouble caused.

Zimmer attempted to sue Tagell but was unsuccessful. He was advised after some time to find other companies who may have been defrauded in the same way. Zimmer launched an investigation and found companies in Poland, France and Indonesia which had also been allegedly defrauded by Hashemi. Hashemi was finally charged after having defrauded Siemens and a prominent American company. He was convicted and sentenced to three years in a British prison.

Previously, Basson's defence team told the court that Hashemi was a senior member of Libyan Intelligence who assisted Project Coast during the first attempt to purchase a peptide synthesizer.

Zimmer testified in detail about other transactions made by Basson through the Luxembourg accounts.

### **Wednesday, 23 August**

**Bernard Zimmer's** evidence in chief concluded with details of several large deposits made to Charles van Remoortere's Barcelona account (used from 1986 exclusively by Basson) by Chu-PM Trading or electronically from David Chu's Swiss bank, Arze.

The cross-examination of Zimmer began with an attempt by defence counsel, Adv. Jaap Cilliers to discredit Zimmer by claiming that he had been involved in illegal drug deals by moving money for Basson, in the falsification of documents to hide the true nature of deals conducted by Basson and that he was fully aware of Basson's involvement with Project Coast. Zimmer denies these accusations.

Cilliers cited the R12-m agreement signed by Zimmer and Chu between Blackdale and Medchem-Forschungs as an example of false documentation. Zimmer denies knowing it was a false document, reiterating that he signed it at Basson's request and to return the earlier "favour" when Basson advanced funds to Blackdale during the deal with Copperdale/Tagell.

Zimmer denied knowing about Project Coast, saying he knew only that Basson was an SADF customer of Van Remoortere's companies. Zimmer said the transfer of funds in Europe on behalf of Basson had nothing to do with any SADF project, as far as he was aware. Had he known he had unwittingly been drawn into the chemical and biological warfare project, he would have withdrawn from all further dealings with Basson.



Cilliers said Zimmer was lying when he said he knew nothing of Project Coast or that Basson's deals were cover-ups for illegal transactions in contravention of the arms embargo. He said that at the end of August, 1986, Zimmer had been fully informed during a meeting in Europe with Basson, Van Remoortere and General Lothar Neethling that both the SADF and the South African Police needed structures through which funds could be laundered. Zimmer denied these allegations, including a claim by the defence that he had introduced Basson and Neethling to Aubin Heyndrickx. Cilliers also claimed that Basson had discussed the proposed laundering of funds with the Surgeon General who had approved the plan.

Zimmer denied knowledge of the alleged purchase of mandrax (methaqualone) from Croatia. He said he was unaware that D John Truter was a front company for the SADF or Project Coast, and had transferred funds to D John Truter that account because he was told to do so by his client, Basson.

There was a great deal of confusion which surrounded the repayment of the loan made by Basson to Blackdale to support the Tagell deal and court was adjourned until Friday for the defence and the witness to consider the documentation. The defence made it clear that they would not be able to conclude cross examination before the witness was due to return to Belgium on Saturday and that he would have to be re-called at a later stage in the proceedings.

### **Friday, 25 August**

Cross examination of **Zimmer** continued. Cilliers challenged Zimmer's claim that he believed the transactions conducted through Van Remoortere's account were legitimate business transactions. Cilliers also said Zimmer facilitated funding for Civil Cooperation Bureau agents operating in Europe. Zimmer denied this but admitted that he handed over substantial amounts of cash to individuals from time to time, at Basson's request or on his instructions. However, he had no idea who these people were or what the money would be used for.

The Croatian deal came under discussion once again with Zimmer claiming to have had no knowledge that Basson was involved in the purchase of drugs. Cilliers later told the court that his client's explanation for the Blackdale, Tagell deal was that the \$3,2 million performance bond was not part of a normal transaction, but rather, was set aside to pay for a peptide synthesizer which the SADF "bought" through the Iranians.

Judge Willie Hartzberg asked the witness if he had not thought Basson was rather a wealthy soldier? Zimmer said no, since Basson had made it clear to him from the start that he was also a cardiologist, and assumed that even though he was in the defence force, Basson also had a lucrative private medical practice. Cilliers then informed Zimmer that he had moved money for the SADF and had also handed "reasonably large" sums of cash to NATO officials to buy technology and information for the SADF. According to Cilliers, the people Zimmer handed cash to in Belgium were actually NATO officials, who were receiving bribes. Cilliers went on to claim that the NATO officials were selling information about the CBW programmes in their own countries.

Cilliers informed the court that he was unable to take cross-examination any further at that point and that further questioning of the witness would have to take place at a later stage. Zimmer agreed to return to South Africa at the court's convenience.

## **Trial Report: Twenty-Seven**

This report covers the period Monday 28 August - Friday 1 September, 2000

### **Monday, 28 August**



Proceedings began with senior prosecutor Anton Ackerman informing the judge that he would have to withdraw from the trial until such time as he was reimbursed by the Justice Department, with interest and bank charges, for the R12 000 he had to pay from his own pocket on Friday 25 August, to cover the cost of Bernard Zimmer's expenses. Ackerman explained that despite having followed the correct procedures, he had not received a cheque from the Justice Department to cover the expenses of bringing Zimmer to testify in the trial. Judge Willie Hartzenberg said the situation was totally unacceptable and that in his experience no case had ever been compromised because the prosecution had to assume personal responsibility for the costs. If the State was serious about this prosecution, he said, the prosecutors had to be given the necessary financial support. If not, the situation would be untenable. Delays that could result infringed on the accused's right to a speedy trial and in the extreme, could even lead to the State being forced to close its case prematurely and before all the evidence had been placed before court, simply because it did not have the funds to continue.

Ackerman withdrew, leaving forensic auditor, Hennie Bruwer, to continue leading the state's case until the matter is resolved. Bruwer called **D. John Truter** to the stand.

Truter, has a doctorate in business administration. He joined the Permanent Force in 1973 as an internal auditor at Chief of Staff Finance, and was transferred a few years later to the South African Medical Service (SAMS). In 1983 he was posted to the office of the Inspector-General and promoted to the rank of colonel, which he held until the end of April 1989, when he left the SADF with a voluntary severance package after having been approached by Basson in 1988 with an offer of a job on Project Coast.

The front company, D John Truter Financial Consultants, became operational on May 1, 1989. Truter's task was to channel all funds for Project Coast from the SADF (Military Intelligence) to the other front companies. Although approved by surgeon-general Gen. Niel Knobel and the Chief of Staff Finance (Admirals Bert Bekker and Murray) the budget was drawn up by Basson.

While all transactions were subject to annual audit by Petro Theron - regarded by Truter as the external auditor for the entire project - Truter had only one boss, Basson. He managed three bank accounts at Volkskas for the exclusive use of Coast. On May 7, 1991, Truter opened another account at Volkskas Menlyn, in the name of his closed corporation as a "project account", on which he alone had signing powers. He was instructed by Basson to open this account, specifically at the same branch as all existing D John Truter Financial Services accounts, and told that it was to be an additional "ultra-sensitive" Coast account, but that no one, except Basson and Truter, was to know the account existed - not even Gen. Knobel. Specifically, auditor Theron was not to know. Truter gave evidence about the transfer of large sums of money to and from this account.

Truter told the court that he had kept copies of some of the financial records of his company and had taken them to Canada with him when he immigrated, as insurance

Truter said that in August 1994, he traveled to Switzerland (five months after Coast was officially shut down) to testify at a government inquiry into the affairs of Jurg Jacomet, particularly regarding the Banco Di Napoli (Vatican) bearer bonds. Basson asked Truter to testify. Basson suggested that by having Truter testify in Switzerland rather than in South Africa, details of the Croatian deal would be kept out of the public domain. Truter was accompanied to Switzerland by advocate Chris Marlow, who had been designated by Basson to "provide support and monitor the situation". Prior to departure, discussions were held with Basson and the nature of Truter's evidence was decided on. Truter followed his instructions to the letter, since he "trusted Basson more than I trust my own wife" and had never been given any reason to question his decisions.

Truter produced a document, signed by Basson, authorizing the transfer of \$2,3-m from Project Coast to one of the Swiss bank accounts for the purchase of 500 kg of Product M, to be delivered by charter flight. He does not know if the goods were ever received or not.



Truter said Basson was at all times the Project Coast leader. Knobel's role was that of "overseer" but every decision was made by Basson. "Wouter Basson was Project Coast - end of story," said Truter. In fact, Basson once told him that Knobel didn't have a clue what was going on in Project Coast and was not too well informed.

Cross-examination was brief, with Adv. Cilliers reducing Truter's role in Project Coast to that of a "clerk" who had no knowledge of operational matters.

### **Tuesday, 29 August**

Senior prosecutor Anton Ackerman returned to court this morning, to inform the judge that following a meeting of all parties involved yesterday, he had been given the assurance that he would be reimbursed.

**Forensic auditor Hennie Bruwer** was called to present testimony on his supplementary report.

Bruwer's findings are that from April 1, 1983 to February 28, 1992, R418,226 million was allocated to Project Coast. From March 1, 1987 to February 28, 1993, the period covered by the indictment, the project had access to R340,9 million, of which R37 million was misappropriated, according to Bruwer. Bruwer claims the bulk of the funding was spent on the establishment and privatization of Delta G Scientific (R127,4 million) and Roodeplaat Research Laboratories (R98,4 million) while R66 million was spent on NBC suits. Other expenditure was: R10,6 million to Protechnik (March 1988-February 1993), R8 million to Lifestyle Management (March 1989-February 1993), R1,4 million to Data Image (March 1991-February 1993) and R634 383 to Organochem (March 1992-February 1993). In the 1992/93 financial year, R1,9 million was paid to Aeromed for charter flights.

Regarding the defence claim that a second amount of \$2,46 million was used as a performance bond for the purchase of BZ, Bruwer found no such foreign transfer from Coast between 1991 and 1993, and concludes that the funds involved in the Croatian deal with Jacomet constitute the only foreign transfer of this size. Both bank officials and Bernard Zimmer state that no divisible performance bond was ever set up as claimed by Basson. The facts do not correspond with the various explanations offered by Basson to external auditor Petro Theron and to the Office for Serious Economic Offences about application of the \$2,46 million, and Bruwer is convinced that it was never used nor intended for the purchase of BZ.

In cross-examination, Cilliers put it to Bruwer that his calculations made no provision for the covert purchase of technology and information for Project Coast. Furthermore, the only funds that could have been used to pay for the equipment which the State alleges never existed, as outlined in the indictment, would be the R37 million which Bruwer said was misappropriated, since nowhere else does his report reflect the amounts Basson claims he spent on this equipment. Bruwer had also not taken payments for bribes or information received by Basson into account, nor funds for the purchase of BZ. Bruwer said the only documents he had seen relating to Delta G and the manufacture of chemicals, concerned Project Mosrefcat, under which 1200kg of methaqualone were made and sold at the beginning of 1989 to Medresco - a company about which he knows nothing more.

### **Wednesday, 30 August**

**Major-General Pieter Hanekom**, who retired in 1994 as the SA Defence Force's Inspector-General, was called by the State. Hanekom was only able to tell the court that he was never aware of any working committee, technical work group, security work group or financial working group attached to Coast.

**Colonel Gert Jacobs**, who worked for Hanekom, was called next. Having previously been a bank manager, he joined the SADF in 1974 as an internal auditor, with specific responsibility for the Special Defence Account and top secret projects. Jacobs had intimate knowledge of



the financial side of many classified projects and was a regular visitor to the Special Forces Headquarters, Speskop, where he audited the affairs of Special Forces.

According to Jacobs, the task of auditing the SADF was so huge that the Inspector General's office was never able to handle more than about 15% of the job, hence the use of external auditors like Petro Theron.

Jacobs knew Corrie Meerholz, commanding officer of 5 Reconnaissance at Phalaborwa. However, he had never heard of Intramex or of a bank account in the name of VABN. If this account existed, as claimed by the defence, to finance two Special Forces shebeens (informal pubs) in Hammanskraal and Kwandebele for the purpose of gathering intelligence, there was no reason why Special Forces would not have disclosed the operation. Indeed, says Jacobs, it would have been incumbent on Special Forces to do so.

According to Jacobs, audits of supplies to Unita were routinely carried out by the Inspector General's office. Proper records of all supplies were kept by the SADF and where clothing or footwear, for example, was involved, invoices from the manufacturers were submitted for audit purposes. On at least one occasion, Jacobs sent a member of his staff to Angola to physically verify the delivery of goods to Unita. Junior prosecutor, Werner Boucher put it to Jacobs that the court has heard that all aid to Unita was so sensitive that any items issued from SADF stock were immediately written off and expunged from the official records. Jacobs says no records or documents would or could have been destroyed or equipment written off until Unita had acknowledged receipt of goods and the transfer had been fully audited.

In cross-examination, Cilliers put it to Jacobs that if, for example, NBC suits had been supplied to Unita from SADF stock, they would immediately have disappeared from the official records, since there would have been no expectation that Unita would return any of them. Jacobs said that all documentation relating to such a deal would be retained by the Inspector General's office in respect of goods and transport, until the audit had been finalized.

#### **Thursday, 31 August**

Dr. Torie Pretorius introduced the first of several witnesses who will testify about the Chemical Agent Monitors and the alleged supply of 12 000 - 15 000 NBC suits to Unita/SADF forces in Angola.

**Major-General Leslie Rudman**, currently officer commanding Special Forces, which he joined in 1973, spent a great deal of his career deployed in Angola/Operational Area during the 1980s. In 1981 he was a company commander with 32 Battalion and took part in Operation Protea in 1980/81. In 1986, Rudman was seconded to the Directorate Special Tasks at Chief of Staff Intelligence, and assigned to the Unita support team.

Rudman said he became aware in 1986 of Unita claims that its forces had been attacked with chemical weapons. While he never saw any alleged victims himself, he did see photographs produced by Unita showing people who appeared to have suffered chemical burns. In 1986 Rudman was involved in a chemical attack verification exercise, the only one he knew of. Following a report by Unita that a chemical weapon delivered from an aircraft had contaminated a group of its people, Dr Brian Davey was sent to Angola by SAMS and met up with Rudman's team, headed by Unita's General Renato. Prior to flying to the target area, Davey and medics from 7 Medical Battalion who were with him, briefed the Rudman/Renato team and demonstrated how they should don NBC suits - which the 7 Medical Battalion team brought with. The briefing lasted about 90 minutes. This was the first and only time that Rudman saw an NBC suit in the Operational Area or Angola.

The following year, when Operation Modular was launched, intelligence reports identified chemical attack as a possible threat. Two counter-strategies were devised: (1) Make contact with the enemy as soon as possible and keep them engaged in combat, as it was generally assumed that the opposing forces were not equipped to protect their own men from



contamination and (2) issue all SADF combat troops with gas masks, raincoats/ponchos and gloves. Shown the top half of an NBC suit in court, Rudman said not a single SADF or Unita troop he encountered in Angola had proper protective clothing like this.

In cross-examination, defence counsel Jaap Cilliers put it to Rudman that since he returned to Pretoria from Rundu at the end of 1988, one would actually have to ask the person in charge of liaison with Unita what equipment had been supplied, Col Schutte. Schutte previously told the defence that he was personally involved in the supply of "tons" of protective clothing to Unita. Cilliers claimed that according to Schutte, Unita asked for the protective clothing via "another" channel, and Unita generals confirmed receipt - Rudman confirmed he was not aware of the issue of NBC suits and detection equipment to Unita, but he could clearly confirm that what Unita asked for, Unita got. One of the problems, said Cilliers, is that the jackets of the suits were extremely popular with troops, who took them home to wear when they rode their motorcycles.

The next witness was **Colonel Renier Coetzee**, currently commanding officer of 5 Special Forces Regiment at Phalaborwa (formerly 5 Reconnaissance Unit). Coetzee took part in both Modular and Hooper, and in the early phase of Packer. From mid-1987 to mid-1988, he was stationed at divisional headquarters, north-west of Mavinga in Angola.

He first became aware of CAMs during a 1987 staff course during which he was introduced to CBW, but until shown a photograph of a Chemical Agent Monitor (CAM) when testifying to the Office for Serious Economic Offences, had never seen one. Shown photographs in court today, he confirmed that this was the closest he had ever come to a CAM. At no time during Operations Modular, Hooper or Packer was such equipment issued to the SADF or Unita as far as he is aware, and no training in the use of chemical detection sets was ever given. He confirmed that intelligence reports warned of the possibility of chemical attack during Modular and Hooper, and that troops were instructed to carry with them the standard SADF raincoats or use their groundsheets as ponchos. Coetzee knows of no other protective apparel issued to SADF or Unita troops. Coetzee was in constant direct contact with Unita troops in Angola but never saw any such garments or CAMs with them. If 12 000 to 15 000 NBC suits had been issued during Modular and Packer, he says, he was there long enough and with enough troops to have come across them.

### **Friday, 1 September**

Senior Prosecutor, Anton Ackerman returned to court having received his reimbursement. He called **Brigadier-General Chris Briers** (retired 1991) who was Hercules Orffer's senior officer at Chief of Staff Intelligence, responsible for the transfer of funds from the Special Defence Account to foreign destinations. Briers told the court from February 2, 1991, in terms of a letter signed by Lieutenant-General (Witkop) Badenhorst, acting Chief of the Defence Force, Truter and Basson were given authority to order foreign fund transfers themselves. According to Briers, this was done because his staff at Chief of Staff Intelligence were nothing more than a rubberstamp regarding Project Coast, and had no idea what the project was spending foreign funds on. Since SAMS and not Military Intelligence was ultimately responsible for control of Coast's budget, accountability for expenditure was thus the onus of D John Truter Financial Consultants from February 1991 onwards.

The next witness was **Gert Coertzen**, previously a major-general with Chief of Staff Finance but since 1998, attached to the Defence Secretariat as a civilian and chief accountant. Coertzen would not confirm that Project Coast was the most sensitive project handled by the SADF. He classifies it as one of the 10 most sensitive projects, and said the degree of sensitivity had no influence on the SADF's record-keeping. The clandestine acquisition of all and any equipment - even chemical substances - would have to be reflected somewhere in the SADF records. Ultra-sensitive items would be protected by the need-to-know principle in that they would not appear in classified stock registers, but they would be recorded somewhere. The nuclear project, for example, was properly documented at all times.



Prior to the mid-1992 investigation by Military Intelligence into Basson's involvement with Merton House, Coertzen was the author of a letter, signed by Chief of Staff Finance Admiral Murray on July 2, requiring Basson to provide full details of procedures and controls in respect of Coast's finances, and a monthly cash flow. Basson explained in detail what mechanisms were used in respect of foreign transfers and why certain procedures were applied. Basson gave him a list of outstanding contractual obligations, including those for the purchase of NBC suits, and amounts earmarked for expenditure, such as R600 000 for "cover stories" in Europe and the USA.

In mid-1992 Coertzen was summoned to a meeting with Basson, who expressed his unhappiness with new procedures, in terms of which funds would be supplied to Truter based on monthly cash flow requirements. The new regulations required Truter to inform the Chief of Staff Finance in advance of how much he would need each month, and the practice of making balloon payments was stopped.

Coertzen said he found Basson's explanation that Coast had a cash flow problem in April as this is the first month of the fiscal year, when annual funds had just been allocated. He said that it would not have been normal procedure for Basson, as project officer, to have purchased an aircraft as part of a barter deal involving a peptide synthesiser, for example, if the deal was not first referred to higher authority for authorization.

In cross-examination, Coertzen acknowledged that at no time was he involved in the operational aspects of Coast, and did not know what was bought, who the suppliers were, how much it cost or what it was used for. Nor could he provide any information about the role played in Coast by Knobel and Liebenberg, the Co-ordinating Management Committee or the administration of the project. Asked how the SADF's rigid record-keeping system would, for example, have accommodated large amounts of money paid as bribes, Coertzen said it would be recorded as expenditure, certified by the project officer. Such records would not be freely accessible, but someone would have to know about the expenditure. Cilliers stated that the Co-ordinating Management Committee did not want to know these details.

## Trial Report: Twenty-Eight

This report covers the period Monday 4 September - Friday 8 September 2000

*Note of correction:* please note that in the 29th weekly report Hennie Bruwer was erroneously mentioned as having taken over the questioning of witnesses when prosecutor, Anton Ackerman temporarily withdrew from the case, in fact junior prosecutor, Werner Bouwer, played this role.

### Monday, 4 September

The first witness of the day was former **Office for Serious Economic Offences investigator Etienne Lambrechts** who testified about the existence of Chemical Agent Monitors allegedly purchased by Basson with the assistance of Belgian academic Aubin Heyndrickx and Roger Buffham (Charges 2,3 and 4 refer). Lambrechts said that he had been unable to find evidence of any more than 13 CAMs ever being in South Africa. During cross examinations Adv. Cilliers focussed on an apparent discrepancy in invoice numbers for the CAMs and suggested that there were two channels for the import of the monitors. Cilliers also said that Heyndrickx would go to any lengths to hide his links to Project Coast, including perjury because he could not afford to let this become public knowledge.

The next witness was **Dr Brian Davey**, now head of health and safety at the Organisation for Protection against Chemical Warfare (OPCW) in The Hague. Davey qualified as a medical doctor at Wits University in 1981, performed National Service in 1982 and joined the Permanent Force in 1983. During 1984 and 1985 he was the base doctor at 5 Reconnaissance Unit's headquarters in Phalaborwa, transferring in 1986 to the forerunner of



7 Medical Battalion, Special Forces Special Operations. His post was that of consultant to the surgeon-general on chemical weapons, and was not filled when he left the SADF in 1988.

Davey told the court that from 1986 he was responsible to devising a chemical defense course for the defence force, which up to then had been non-existent. Defensive training was broken down into three levels: basic survival, which all troops in the field would be required to undergo, instructor training and chemical-biological cell training, designed to make a staff adviser available to commanders in the field on the question of how to manage troops in an area contaminated by chemical attack. The earliest courses were confined to basic training and were strictly internal.

Davey said the SADF did not have any CAMs until April or May 1988 - shortly after conclusion of the long-running operations Modular, Hooper and Packer. He personally took delivery from Basson of 12 or 13 CAMs, one of which was sent to Protechnik for reverse engineering research. He said he was certain that at no time was he aware of more than 13 CAMs in the SADF.

Davey told the court that CAMs are not disposable items. They are specifically designed for repeated use, and the only circumstances in which he could envisage them being dumped, would be if an exceptionally high level of exposure to a chemical agent occurred. He was not aware of the dumping of any CAMs. Davey was deployed in Angola throughout operations Modular, Hooper and Packer, specifically as a CBW cell adviser for field commanders in the event of a chemical attack. However, his services in this role were never required.

Davey testified about the work conducted at the company, Lifestyle Management, which he said was not a, SADF front company. Initial work done at the company focussed on the physiological aspects of chemical defence.

Davey said that he had no knowledge of any NBC suits supplied to Unita. Suits used for training during Modular-Hooper-Packer were taken from 7 Medical Battalion stores - none, to his knowledge, were issued to troops on the ground. The 7 Medical Battalion store had between 40 and 50 NBC suits on its shelves. During his tenure, the only NBC suits he saw in the Operational Area or Angolan theatre of conflict were those he took there. They were among the earliest suits obtained by the SADF, of Belgian origin, foam-lined. Davey never saw troops in protective suits at any other time.

During cross examination Davey confirmed that he did not know the origin of the CAMs.

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The third witness of the day was **Tim Otter**, international business development manager of Graseby Ionics, a division of Graseby Dynamics in Watford, England. Otter produced various documents relating to the sale in August 1987 of 13 CAMs to the University of Ghent via Heyndrickx. Because the CAM is such a sensitive piece of equipment, control of export licenses is heavily policed. Nevertheless, permission was granted to sell the 13 CAMs to Heyndrickx at a discount of A3220 each on the normal price of A3 3 990, and the end user certificate was issued in favour of the university.

Otter said that over the years, both he and Graseby have been questioned many times about the CAMs that went missing from the University of Ghent. At one conference, attended by both Otter and Heyndrickx, the professor publicly declared that he had buried all of them in Angola because he was unhappy with their performance.

In cross-examination, Adv. Cilliers established that since Otter joined Graseby only in 1989, he was not the author, nor could he have personal knowledge of, the documents relating to the Heyndrickx purchases. Cilliers suggested that because the Graseby documents show that Heyndrickx stipulated that he wanted two sets of invoices - a pro forma invoice for a single CAM and another for 12, plus a final invoice for 13 CAMs - someone at Graseby was



complicit in helping Heyndrickx draw up false documentation with a view to defrauding the university in respect of the discount offered. Hartzenberg intervened, observing that the documents certainly suggested that something underhand had taken place.

## Tuesday, 5 September

Cross-examination of Tim Otter from Graseby Ionics continued with testimony that the documents relating to the sale of 13 CAMs to Professor Aubin Heyndrickx had been extracted from Graseby's files as part of the investigation by the Belgian authorities in the last few months of 1987. Cross-examination focussed on the controls exercised by Graseby over equipment sold.

The next witness was **Lieutenant-General Deon Ferreira**, currently Chief of Staff Joint Operations in the SANDF but from 1979 to the end of 1982, commanding officer 32 Battalion. Ferreira was called to the Angolan Operational Area to participate in Operations Modular, Hooper and Packer. He had earlier taken part in the 1981 Operation Protea, designed to clear Southern Angola of all Swapo bases. From September 5, 1987 to December 15, 1987, Ferreira served as commander of 20 Brigade in Southern Angola. After December, he returned to the area from time to time as a staff officer for General Willie Meyer.

Ferreira said he never saw a CAM or wet detection kit at his field head quarters nor with any of the troops under his command. He had no knowledge of any protective clothing or detection kits issued to Unita. During cross-examination Cilliers said it was not strange that Ferreira had not seen detection apparatus in Angola since they were only issued in 1988.

The next witness was **Colonel Paul Fouche**, an SADF member from 1967 to January 1999. He also testified about conditions in Angola, where he was stationed until May 1988. He said he never saw detection equipment in Angola nor had troops been issued with protective clothing. In cross-examination, Cilliers established that Fouche had not been involved in the logistic support of Unita.

In re-examination, Fouche said if between 12 000 and 15 000 NBC suits had been issued during Modular-Hooper-Packer, he would have expected to see one at some point. He said that no more than 7 000 SADF and Unita troops took part in the operations. This in contrast to the claim by Cilliers during the cross-examination of Gen. Knobel that there were three national service call-ups during the three operations, and that all 12 000 to 15 000 troops involved received NBC suits.

The next witness was **Arthur Boettcher**, formerly a physicist with the CSIR, Eloptro and the National Institute for Aerodynamic Systems and currently deputy director of chemical and biological controls at the Department of Trade and Industry. While working for NIAS, he met some of the Delta G Scientific staff and was offered a job there. He was employed at Delta G from September 1984 until mid-1987. Boettcher said he was involved in the attempt to reverse engineer a Chemical Agent Monitor at Protechnik. Boettcher claimed that all the technology for the development of a prototype CAM came from South Africa. The defence claims it was imported from abroad.

The next witness was **Pieter Goede**, a physicist, and the man who ran the CAM project at the Atomic Energy Board (AEC). Specifications for the CAM were provided to AEC by Boettcher on behalf of Protechnik and the development project stretched from 1988 to 1993. Goede says they produced a demonstration model, a prototype and two pre-production models, all of which were delivered to Protechnik. As far as he is concerned, the objective of the project was achieved. Goede also disputes the involvement of foreign electronics blue prints for the project.

As Goede stepped down, Judge Willie Hartzenberg asked prosecutor Dr. Torie Pretorius to explain why he had led the evidence of Boettcher and Goede. Pretorius said it was designed to refute Basson's claim that Project Coast funds had been used to pay for the clandestine



acquisition of a blueprint for the electronic circuit boards which were a problem during reverse engineering of the CAM.

The last witness of the day was **Dr Andries Leuschner**, who managed the CAM project at the AEC from 1990 until he left in 1993. The project was taken on by the AEC during its commercialization phase. Leuschner did not know of a blueprint for the electronic circuit board being supplied to the AEC. He said the researchers involved in the project were given an operating manual for the Graseby CAM, which contained basic information on the instrumentation as well as basic diagrams of the circuits. They also had access to other literature.

### **Wednesday, 6 September**

The first witness of the day was **Col. Ben Steyn**, who took over as Project officer of Project Coast when Basson was asked to retire in December 1992. He was at 1 Military Hospital from 1978 to 1980 and served as head of the South West Africa Medical Command from July 1980 to 1982. Steyn attended a staff course in 1989 and in 1990, was posted to the research department at SAMS headquarters. In January 1991, he succeeded Deon Erasmus as officer commanding 7 Medical Battalion, Erasmus having followed Basson into this post in 1987. Steyn was Commanding Officer until 1994, when Dr William Mutlow took over.

As an anaesthetist, Steyn is familiar with Tubarine, Scoline and Ketelaar. He explained that Scoline takes effect within 30 seconds of being injected and total paralysis follows within two to three minutes. Tubarine is a skeletal muscle relaxant which can only be used in conjunction with a ventilator. It takes effect within three minutes and lasts between 50 and 70 minutes. He said Ketelaar is one of the safest and easiest anaesthetics, hence its widespread use in field surgery. It is also an analgesic and can be administered in a single full dose or several smaller ones. The problem with Ketelaar is that hallucinations are a known side-effect. He confirmed that all three substances were in the Special Forces headquarters stores, to which Basson had unrestricted access. Sodium Pentathol - the so-called truth serum - was also available, but only at 1 Military Hospital.

Steyn said he had no personal experience of chemical interrogation, but accepts that like Sodium Pentathol, other substances could be used to induce a semi-comatose state in which the subject's resistance to interrogation would be broken down. He warned that this would require specialised medical knowledge.

When he assumed command of 7 Medical Battalion in 1990 the battalion had no logistics officer or stock control system, and the first few months of 1990 were devoted to registering the "huge" volume of equipment lying around both the Speskop stores and at other SADF units. Among the equipment found, but which was not recorded anywhere in the SADF books, were NBC suits, medical equipment, even vehicles - and 10 CAMs. Later, Steyn received two more CAMs from Protechnik. Each piece of equipment had to be evaluated for functionality. The wet detection kits he found were in poor condition, the chemicals having long since passed their use-by dates, and they were dumped.

Steyn did not take part in operations Modular, Hooper and Packer, but did make several trips to Angola. Some time after 1991, he went to Jamba, where he managed the hospital serving the Southern Angola operational area. His last visit to this hospital was in December 1993. Over the entire period, he never saw a CAM or wet detection kit anywhere in Angola. During his time as Commanding Officer of 7 Medical Battalion CAMs were only issued against the signature of the user, and if the equipment was lost or damaged as the result of negligence, the repercussions would have been extremely serious for the culprit, as CAMs were classified as highly sensitive equipment.

Steyn told the court that he attended meetings of the Co-ordinating Management Council where the project to capture the technical data of Project Coast on CD-ROM was discussed. At one meeting, Gen. Knobel issued a specific order that Steyn and Basson should ensure



that the documents were destroyed. Basson took Steyn to the Centurion premises where the operation was conducted, two or three times. Steyn found two women scanning documents onto the CD-ROMs under Kobus Bothma's supervision. On completion of the task, the CD-ROMs were handed to Steyn, who in turn turned them over to Knobel for safekeeping. A certificate was received from Delta G Scientific stating that all documents had been destroyed as ordered.

In Steyn's opinion, the information captured on the CD-ROMs can in no way contribute to proliferation. His assessment is based on the hard copy documents he saw during the CD-ROM capture process. His opinion was challenged during cross-examination, when defence counsel Jaap Cilliers asked him which documents from the trunks he regarded as a potential proliferation danger. Steyn said the files and documents related to the Army project involving weaponisation of CR at Swartklip Products, which was not a Coast project.

Steyn said that when he took over as Project Officer from Basson he was tasked with dismantling the project. He received no briefing or information from Basson about foreign matters. He was never told about a consortium of Libyans, East Germans and Russians which had supplied equipment to Coast, or that there were any matters involving this group which had to be finalised. He was not told that David Webster "handled the interests" of this group. Steyn was also not told anything by Basson about foreign "front" companies, foreign bank accounts or assets bought on behalf of the consortium.

Steyn gave evidence about the NBC suits saying he was not aware of a shipment of suits to Unita and was not aware of large numbers of suits being purchased for the SADF.

During cross-examination Adv. Cilliers put it to Steyn that it is not unusual that he would not have personal knowledge of the existence or use of NBC suits since he was not in a position where such information would have been relevant to him at the time of their purchase or distribution. Cilliers also put it to Steyn that he took over a highly sophisticated project run according to the highest standards, Steyn agreed that the scientific levels achieved had indeed been high.

The next witness was **James May** who is a former member of the Rhodesian Light Infantry. Due to the shortage of qualified doctors during the Rhodesian bush war, May was among those who received advanced medical training, attending various courses in order to qualify as a medical assistant specialising in anaesthesia. He served in a number of hospitals in this role. On May 13, 1980, he joined the SADF, being appointed at the SAMS College in Voortrekkerhoogte to train operational medical orderlies. May was posted to Special Forces Headquarters where he was in charge of the medical stores. He was also involved in the sanitisation of medical supplies for Unita to disguise their origin. In due course, Steven Beukes was assigned to the stores and assisted May.

May said he was meticulous about keeping a register for the issue of scheduled drugs and that while he was in charge of the medical stores at Speskop, access was restricted. Only on the orders of one of the doctors would he release scheduled drugs - but he never gave any to operator, Johan Theron. In cross-examination, May said Johan Theron had very little to do with the medical stores, and although he sent representatives to check on security measures from time to time, he cannot remember ever seeing Theron himself in the stores, to which he did not have keys.

#### **Thursday, 7 September**

The first witness of the day was **Major-General Roland de Vries**, who served in the SADF from 1963 to 1999 and is a mobile war specialist. During Operation Modular in Angola, De Vries was second-in-command to General Deon Ferreira, Commanding Officer of 20 Brigade, from October to December 1987, and also served as adviser on mobile operations. All operations were conducted in conjunction with Unita, and although De Vries was conscious, purely through hearsay, that special protective clothing had supposedly been supplied to



Unita, the only items he ever saw among either SADF or Unita troops were gas masks - and they were apparently in short supply, since De Vries himself did not even have one.

Shown the NBC jacket in court, he said he had never seen one anywhere in Angola. His brigade had no detection equipment of which he was aware. Shown a photograph of a CAM, he again said he had never seen one. During cross-examination Adv. Cilliers said that De Vries was only in Angola for a limited period of time and would therefore have been unlikely to have encountered protective clothing.

The next witness was **Colonel George McLachlan**. During 1987 and the first month of 1988, McLachlan was officer commanding 71 Brigade in Cape Town, but from February 7, 1988, he assumed command of Operation Hooper until March 8, which was the start of Operation Packer, the "wrap-up" phase that led to withdrawal of all SADF forces from Southern Angola. Although not under his direct command, he said Unita troops took part in combined operations with SADF troops.

Regarding the threat of chemical attack, McLachlan said the field commanders believed intelligence reports that claimed the Angolan and surrogate forces had the capacity to launch such attack. During planning and assessment of the situation, it was generally accepted by the commanders that if they had the ability, the Angolans and surrogate forces might resort to chemical weapons. Despite this threat, McLachlan said his troops, and Unita, had nothing more than gas masks and standard Army-issue thin plastic raincoats as protection.

Under cross-examination McLachlan said the closest he and his troops ever came to a chemical attack was a radio report from the commander of a front-line unit who had seen a suspicious-looking cloud and ordered his men to don their raincoats and gas masks because he believed they were under chemical attack. They were not, and that was the last McLachlan heard of chemical warfare in Angola.

Lieutenant-Colonel **Robert Fox** was the next witness. Fox joined the SADF in 1974 and was trained in air logistic supply. During Operation Savannah in 1975, he was stationed at Grootfontein in then South West Africa as logistics officer for SADF support in Angola. From 1978, he served as personal aide to Constand Viljoen for two years and was then recruited by Military Intelligence to join the Directorate Special Tasks, responsible for all logistical support to Unita, Renamo and the Lesotho Liberation Army.

Fox was physically involved on a daily basis in getting logistic support to Unita. He operated from a vast warehouse in Pretoria West, where "mountains" of equipment were sanitized and repacked before being taken to Rundu in convoys of powerful trucks with trailers. Fox kept records of all equipment dispatched which were handed to Military Intelligence's Counter-Intelligence section when the operation was shut down. He said deliveries were checked by Unita teams in Rundu, Katima Mulilo and the San Michelle base on arrival.

Fox said he had never seen a CAM, as shown to him on the photographs in court, and never took or sent any such equipment to Unita. Nor were they ever stored in his vault prior to dispatch. Shown a pair of NBC pants and the jacket in court, he said he had never seen such items nor supplied them to either SADF or Unita units in the Operational Area or Angola. If 12 000 to 15 000 such suits had been sent to Unita, he would have been responsible for detaching them. During cross-examination Fox said he did not believe that Col. Schutte would have supplied Unita with protective clothing independently. Schutte has previously been mentioned by the defence as having been personally involved in the supply of protective clothing to Unita.

The last witness of the day was **Geoff Candy** (MSc in Biochemistry) who joined the Department of Agriculture in 1979, then did his national service before working at the CSIR, where his task was to design a kit that could be used to measure toxins in water. Candy gave evidence about the production of wet detection kits for use by the defence force in



determining the presence of toxic agents. During cross-examination he confirmed that at some stage wet detection kits must have been bought from a foreign source.

### **Friday, 8 September**

Witness, **Dr Philip Coleman**, formerly of the CSIR's National Chemical Research Laboratory and presently at Protechnik, was recruited by Basson at the end of 1981 for Delta G Scientific, where he was to do research and development into chemical warfare defence. Coleman was called to give evidence about the reverse engineering of Chemical Agent Monitors at Protechnik. He was the only witness called on Friday and his evidence brief.

## **Trial Report: Twenty-Nine**

This report covers the period Monday 18 September to Friday 22 September, 2000

### **Monday, 18 September**

**Cecilia Grant**, travel agent since 1975 and a director of Partners in Travel from October 1987 to January 18, 1992, was the 96th witness called since the trial began last October.

Grant testified that in 1989 her business, Partners in Travel, experienced financial difficulties. She was introduced to Wouter Basson by two of her clients, Jan Lourens and Charles Van Remoortre. Grant said that Basson expressed an interest in acquiring shares in the business. Wisdom Investments and Properties purchased 51% shares in the company in August of that year. Former RRL Managing Director, Wynand Swanepoel was introduced to Grant as the man who would handle the day-to-day business of WIP's investment, on Basson's behalf. Her dealings were chiefly with Swanepoel.

Grant testified about the financial status of the company and the role played by Basson and his colleagues in the business. She said that Partners in Travel made a dramatic turn around after the purchase of the majority shares by Wisdom Finance and Investments largely because Sefmed, Infladel, Medchem Consolidated Investments and Roodeplaat Research Laboratories became clients. However by the middle of 1992 the company was again in serious financial trouble with the company owing R1million to Wisaltco Holdings (successor to Wisdom Investments and Property). At this point Grant wished to go into voluntary liquidation but was stopped by Swanepoel. As a way of staving off the inevitable, an agreement was signed in January 1992 in terms of which Grant would transfer her 49% shareholding in Partners in Travel to Wisaltco for the nominal amount of R42 000. In return, she would resign with immediate effect and cede the Partners in Travel loan account to Wisaltco, while Wisaltco would waive all claims, present and future, against Grant.

Prosecutor Werner Bower told Grant the court had been informed, during cross-examination of Sam Bosch, that Wisdom Group executives had customarily flown first-class because they were able to obtain tickets at huge discounts - paying as little as 10% of the fare - and the tickets were thus "practically free". Grant said this would have been totally impossible, as no one outside the travel industry qualifies for any discount on a first-class fare, and even she, a seasoned travel agent, would be required to pay between 75% and 95% of a first-class ticket. Neither Basson nor any of his associates - Mijburgh, Bosch, Viljoen, Swanepoel - was ever given a discount fare, she said, and they all flew first-class, frequently. Their respective companies paid.

Grant never knew that Basson was a military officer. He told her he and Van Remoortre were in the business of manufacturing protective clothing to shield medical workers from toxins. She was never required to make bookings for him in anything but his own name and was never asked to arrange a travel itinerary for him that would hide his South African origin.



In cross-examination Adv. Cilliers questioned Grant about the criminal case against her, laid by Swanepoel. This case was dropped in 1993. Cilliers also said her evidence did not show that Basson gained personally from the purchase of shares in her company. Cilliers placed on record that Basson denies ever personally holding shares in Partners in Travel, having held them via a company which was "part of a much bigger scheme".

**Linda-May van Niekerk** returned to the stand for completion of her cross-examination. Cilliers took her through the documentation surrounding the 1991 sale of 31 332 NBC suits by Technotek. Cilliers concluded by placing on record Basson's denial that he was ever involved in an unauthorised deal for the sale to Seyntex of NBC suits from the SADF.

Court has adjourned until Tuesday, September 26, when Jan Lourens will return to testify about the role of Protechnik in the NBC suit project. Charles van Remoortrere cross-examination will resume on Wednesday, September 27.

## **Trial Report: Thirty**

This report covers the period Monday 25 September - Friday 29 September 2000

Court adjourned on Tuesday 19 September and was expected to resume on Tuesday 26 September to hear the continued evidence of Jan Lourens. Lourens was not available to attend and the adjournment was extended until Wednesday 27 September.

### **Wednesday 27 September**

After an absence of almost 10 days, **Charles van Remoortrere** returned to the stand for cross-examination.

Defence advocate Jaap Cilliers attempted to debunk Van Remoortrere's repeated claims that he was prepared to assist Basson in the South African CBW programme only in respect of defensive equipment, by putting it to the witness that in fact, he and Jan Lourens had been involved in a deal to sell a binary weapon system designed to carry VX, a deadly nerve gas.

Van Remoortrere acknowledges being involved in negotiations to sell the system to a "German" who was interested in it, but insists that the intention was to use the system only for storage (of chemical agents) and that as soon as he became aware that in fact, the weapon was intended for offensive use, he and Bernard Zimmer withdrew from the deal and never again had anything to do with the unidentified German. Van Remoortrere says he did not know that the system was to be used to carry VX. Drawings of the proposed system were supplied to the potential client, but when he came back to Van Remoortrere and Lourens and indicated that he wished to use it as a weapon, not a storage system, they pulled out. Cilliers put it to Van Remoortrere that the system was designed for a 155mm projectile - which Van Remoortrere says he was not aware of.

Van Remoortrere says those directly involved in negotiations were himself, Zimmer and Dr Philip Coleman, and they were dealing with a Mr Muambar.

Cilliers put it to Van Remoortrere that he knew at the time, through Zimmer, that Project Coast was importing drugs (for example mandrax) to South Africa on a huge scale. Van Remoortrere vehemently denied all knowledge of drug deals saying it would have been totally against all his and Zimmer's principles to be party to such transactions.

Much of the cross-examination focussed on the structure and shareholding of companies in which Van Remoortrere had interests and loan agreements between these companies. The defence wished to show that Basson was not a beneficiary of deals between the companies.

### **Thursday 28 September**



Cross-examination of Charles van Remoortere continued. Van Remoortere denied Adv. Cilliers accusation that he had been party to the falsification of documents relating to some of the companies in which Basson is alleged to have had an interest. Van Remoortere said that Bernard Zimmer made use of his name in setting up companies on behalf of his client, Basson, and that there is nothing untoward about this practice in international business deals.

Adv. Cilliers cited the bogus agreement between Blackdale and Medchem Forschungs, which purports to deal with the transfer of technology but was actually designed to facilitate the roundtripping of R12-m in contract fees paid to Medchem Consolidated Investments by the SADF, as an example of documents deliberately created to disguise Project Coast's financial affairs. Van Remoortere said Zimmer had carte blanche to use their joint company, Blackdale, to conduct transactions on Basson's behalf, provided such deals cost Van Remoortere no money. The R12-m contract, he says, is "a load of rubbish".

Other questions put to Van Remoortere included those relating to the sale of protective clothing to Belgian company, Seyntex. During this line of questioning it was suggested that Van Remoortere had been involved in a deal to supply Unita with protective clothing. This was not dealt with in any detail.

Cilliers placed on record Basson's formal denial that he ever received any financial benefit in his personal capacity in respect of any deals made by the SADF and/or Project Coast, including deals done through Van Remoortere, and that he had never made false representations to the SADF as outlined in charges 11 and 12 (creation of a \$3,2-m performance bond for purchase of a peptide synthesiser and subsequent purchase of DNA and RNA probes and the Thymus peptide) or stolen any SADF funds.

Furthermore, in respect of companies like Charburn and Technotek and assets such as Merton House, the Tygerberg Zoo and the Fancourt lodge, Basson denies having any financial interest in any of them, or that he ever indicated to Van Remoortere that he held such interest.

In re-examination Van Remoortere said that with regard to the \$3,2-m loan for the performance bond which Basson claims was to buy a peptide synthesiser, at some point, scientists at Protechnik had asked Jan Lourens to look into the purchase of a mass spectrometer and a peptide synthesiser. Van Remoortere's recollection is that there were discussions between Lourens and Dr Philip Coleman on the subject, and that there was "great excitement" among the scientists as they really needed the mass spectrometer for research and development projects. The mass spectrometer was purchased but, he said he understood that the order for the peptide synthesiser had been cancelled.

The Pretoria High Court part of the trial has now adjourned until Monday, October 30, when Dr Torie Pretorius returns to present further evidence on the human rights violations charges. In the interim, the court will travel to Jacksonville, Florida, on commission, to hear the testimony of attorney David Webster and his wife, Jane, scheduled from Tuesday, October 10 to October 25.

## **Trial Report: Thirty-One**

### **Reports pertaining to 10 October - 13 October 2000.**

This report reflects the testimony of American attorney, David Webster. The court moved to Jacksonville Florida during October 2000 to hear his evidence and that of Jane Webster.

### **Tuesday October 10, 2000**

In accordance with the State's successful application to hear the evidence of Florida attorney David A. Webster and his wife, Jane, on commission, following Webster's refusal to testify



against Basson in South Africa, the court convened in the US Middle District Court, Jacksonville, with Judge Willie Hartzenberg presiding.

Basson was not present during the American hearings, his defence counsel having indicated to the court in Pretoria that because of his persona non grata status in the US, and threats to his life, the hearings would have to take place in his absence. All three members of his defence team - advocates Jaap Cilliers and Tokkie van Zyl and attorney Adolf Malan, were present, along with senior prosecutor Anton Ackerman and his assistant, Werner Bouwer. Arrangements for the hearings were handled by Ron Henry of the US Attorney's office and the hearings were granted by US District Court Judge Ralph W Nimmons, but took place in terms of the rules and procedures of the South African legal system.

Justice Hartzenberg ruled that the hearings would be closed to the media, with the exception of two South African journalists who were warned not to link Webster to any of the charges other than those of fraud.

Webster was asked to identify the beneficial owner/s of the WPW group of companies, he told the court that he was clear that he had always dealt with Basson in regard to WPW business. From Basson and Webster's initial introduction throughout their relationship, Webster said, his understanding with Basson had been that he would be the only person with whom Webster would deal, and Webster would receive all his instructions from Basson, even though, when they first met, Basson told Webster he was in the Cayman Islands on behalf of a group of European businessmen, who wanted to do business in South Africa despite prevailing international economic sanctions. This was the basis on which their relationship was launched, Webster said, but with the clear understanding that Webster would treat Basson as the beneficial owner and, in fact, would acknowledge him as such for purposes of all future dealings with him.

Webster testified about his 14-year association with Basson saying they met in July 1986 in the Cayman Islands, at the request of Wilfred Mole, one of Webster's existing clients, who told the attorney he wanted to refer a client of his to Webster for assistance in conducting international business transactions. The decision was taken at this first meeting, says Webster, that corporations would be set up in the Caymans to serve as the nexus of future international deals. Mole introduced Basson as a "substantial" cardiologist and businessman, with former military links. Webster says he was told Basson had retired as a military doctor and was now teaching medicine at a South African university and practicing cardiology. Basson told Webster he was the attending physician to the South Africa president at the time - PW Botha - and wanted to create opportunities for business dealings between South Africa and the rest of the world.

Webster says the first indication he had that Basson was still actively involved with the SA Defence Force, was in 1993 or 1994, when Basson "mentioned in passing" that he had just become a brigadier. Webster did not pursue or question Basson about this promotion, because he "sort of assumed" that Basson was a member of the active military reserve rather than a serving military officer.

As time passed, Webster and Basson became friends, and on several occasions, Basson requested that Webster - or his wife, Jane, or Jane and her mother, Caroline Roberts - travel to South Africa. Twice Webster joined "the group" at gatherings in the Kruger National Park.

Webster said that on October 6, 1986, he set up three corporations in the Cayman Islands for Basson - WPW Investments, PCM International and Medchem. Webster has "no present memory" - a phrase used a great deal during his testimony - of how the names came to be chosen, or who suggested them, but typically, he says, the names would be supplied by the client.

WPW was formed and served as the holding company for the group. It was never intended to be an operating company. At a later stage, substantial amounts of money were channeled



through PCM and Medchem, before these corporations became dormant until "given" to Tjaart Viljoen (PCM) and Philip Mijburgh (Medchem) in 1991. Webster said that Basson was "constantly reshuffling" the structure of the group's world-wide holdings, but he could never make sense of this. "It seemed like he was trying to get some business alignment to occur where there would be effective controls, proper reporting."

Webster testified about the contents of his files which, amongst other things, contained documents relating to Contresida, another Cayman-based corporation. Webster says when he asked Basson about the meaning of the name at the time it was set up, he was told that Contresida means "anti-AIDS" in an African language. Immediately after being set up, Contresida saw a flurry of activity. Webster was informed that Basson and Mijburgh were "creating a situation" which would allow the World Health Organisation to make a \$100-m loan to the South African government of the day for AIDS treatment and research. The loan would be guaranteed by the South African government and the funds were to be paid out over a period of time, and used to make loans directly to companies involved in AIDS treatment and research. But, says Webster, the loan was never made by WHO, and Contresida remained dormant for several years, until it was transferred to Wynand Swanepoel.

All information Webster ever had about the AIDS project was given to him by Basson, whom Webster understood to be the South African representative of the WHO's AIDS treatment and research programme in South Africa. Webster recalls "seeing pieces of paper" to this effect.

Regarding ultimate ownership of Delta G Scientific by Medchem Consolidated Investments, Webster said he had been taken on a tour through Delta G in 1988/89 but had no further involvement with the company. It was made clear to him, however, that this was a state-of-the-art pilot plant - a facility between the laboratory research and full production stage in the chemical industry.

### **Wednesday October 11, 2000**

The second day of David Webster's testimony in Jacksonville began with a rundown of the WPW Group's earliest assets and investments: the King Air, bought for \$950 000, the \$3.2-m Jetstar, Merton House, which cost an estimated R12-m, Fairclough Cottage at Warfield, England, the Brussels apartments, the Orlando condominium. Webster also testified about WPW's relationship with Roger Buffham and his Company Contemporary Systems Design - a relationship which over a period of years resulted in a £500 000 loss for Amfra when the company withdrew from its involvement in CSD in 1991.

On May 10, 1988, Webster wrote to Basson that he had found a King Air for sale at \$850 000. By May 24, the contract was signed by Webster, who issued instructions, at Basson's request, that the aircraft be fitted with an advanced global navigation system. Some reconfiguration of the aircraft body was also required, but Webster has forgotten the details. Modifications added \$102 000 to the purchase price. Webster testified that he had "no idea" where the funds would come from but, like all other deals he brokered on behalf of WPW, expected a wire transfer to be made. On June 3, 1988, acting on Basson's instructions, Bank Indosuez in Geneva transferred \$950 000 to the Florida National Bank. On June 7, Basson wrote to Webster that the funds "will arrive soon" and mentioned that "I have just received the new proposals from Philip. I will work through them tonight and fax the documents and commentary to you tomorrow". This was a reference to the proposed acquisition of Delta G Scientific, says Webster.

Webster said that from the outset he was involved in the possible acquisition of an interest or total control in Delta G Scientific. To this end, he had dealings with "several" individuals he was told were directors of the company, but whose names he "has no present memory of", on his visits to South Africa.



Basson visited Webster in Orlando three or four times, accompanied on one trip by Annette Versluis, to whom he was not yet married. Other visitors to Orlando were Sam Bosch, Philip Mijburgh, Basson's mother Bronwyn and his stepfather, who were guests of Webster's mother-in-law, Caroline Roberts.

On June 24, 1993, Basson wrote to Webster: "I have decided that we should sell the King Air". Webster was to actively market the aircraft, while Basson himself was "working on refinancing options" regarding the Jetstar. Asked at this point by prosecutor Anton Ackerman who was the goose that laid the golden eggs, Webster replied: "Dr Basson was the man I dealt with at all times". But, he made it clear, he had no idea of the origin of the funds, and no reason to ask questions in this regard, as long as the funds flowed through legitimate banks. When funds were needed, Webster contacted Basson, but never once asked where Basson got the money.

The amounts, he says, were not "particularly high", seen against an American cardiologist's income. They were not at all out of line with what Webster would expect a successful medical specialist to make, especially since, at the time, South Africa was on the leading edge of cardiology internationally. Judge Willie Hartszenberg interjected saying that at the end of the 1980s, \$3,2-m was a lot of money in South African terms, and it would have been highly unusual for a cardiologist to be in a position to buy a King Air, a Jetstar, a condominium in Orlando, and so on. In American terms, said Webster, this was not at all unusual - many doctors own two aircraft. Along with a Mercedes-Benz, these are status symbols of choice. The judge noted that 'there is a marked difference between a Jetstar and a Mercedes-Benz in South Africa'.

Asked by Ackerman how he saw the WPW Group, Webster said it had evolved to the point where operational people were responsible for certain spheres of influence. The USA was Webster's responsibility, Europe was in the hands of Bernard Zimmer or David Chu and Southern Africa was run by Swanepoel, Mijburgh, Viljoen and Bosch, with Chris Marlow in charge of legal structuring. Webster testified that he played no decision-making role at all in these arrangements, and was merely informed of events after the fact.

Ackerman suddenly asked Webster what he had known about Roodeplaat. Webster said he knew about the programme to breed special security dogs and had, in fact, been taken to Roodeplaat by Basson to inspect the breeding facilities. At this point, according to the court transcript, there was an off-the-record discussion in court. When the hearing went back on the record, Webster said during the visit to Roodeplaat, Basson had shown him the "wolf-dogs" and told him this was part of the group's activities in South Africa.

#### **Thursday, October 12**

Webster confirmed during his testimony that Basson had authorised the use of funds from the WPW account to pay for the refurbishment of the Jetstar, and that he had also authorised the use of funds from the Medchem account. A letter from Jane Webster to her husband also recorded Basson requesting WPW assets be moved to the company Luft in South Africa. The assets were not moved but sold at a later stage. Webster also testified about the sale of the Jetstar.

Webster told the court that on January 27, 1993, he wrote to Zimmer that funds were urgently needed by WPW North America, and that the situation was critical, as all available resources had been exhausted. Webster contacted Zimmer in this regard because he had been informed that Zimmer was now acting as banker for the entire WPW Group. In the letter, he says: "As you know, we're trying to minimise contact with our principals under the current situation".

The principal, he testified, was Basson, but he had 'no present memory' of what lay behind the need to minimise contact with him. Basson had said there was "some kind of investigation" going on in South Africa and he wanted to maintain a low profile for a time.



Webster's letter to Zimmer ends: "If you are in contact with them in a secure situation, please let them know of the request".

In a handwritten letter on March 18, 1993, Basson wrote to Webster: "I'm still surviving. I hope to sort out most of the hassles before the end of March. I need some help from you. The partial sale of the Jetstar and transfer to Europe is now potentially ongoing again. What I need is a bill of sale showing the transfer of the Jetstar to Blackdale, Dublin, Ireland. This must be dated 3 August 92. It will not be filed. I just need it to lay a specific trail. I will explain later." Webster complied with Basson's instructions, but cannot recall specifically what, if any, explanation Basson eventually offered him. However, he sent the bill of sale to Zimmer as requested on the same day.

Webster's evidence showed that by the end of June 1993 the WPW group of companies were in serious financial difficulty. They however continued operating and in December 1995 Webster arranged for the sale of the Jetstar to an American company for some \$2 million. After the sale of the aircraft, WPW made an investment in the company Tubmaster, a company in which the Webster's had a family interest. WPW acquired controlling shares in the company and made a capital loan of \$60 000 to Tubmaster. According to Webster, WPW still has a controlling share in the company.

Since 1997, Webster has had no contact with Basson regarding Tub-Master at all, and no one else has contacted him in regard to this investment. Webster finds himself in a difficult situation - Tub-Master has a majority owner, but he is not sure who this is. He has not been allowed to contact Basson, as per instructions of Basson's attorney, Adolf Malan and state prosecutor, Anton Ackerman, about this situation, and has no idea who else to approach. If no one comes forward to claim the 63% shareholding, it would not automatically revert to Webster and/or his wife. He hopes that at some point, the Basson trial court will direct him what to do, either by affirming who the owner of Tub-Master is, or ordering that the majority shareholding must be forfeited to the State.

Regarding Fairclough Cottage at Warfield, England, Webster says the property was introduced to Basson as being available at a time when he had an interest in acquiring a "facility" for the WPW Group, since people were constantly flying into Europe and England. Basson himself was a frequent flyer, and it made long-term economic sense to purchase an operational base and residence rather than staying in hotels. The facility would be at the disposal of Basson, Webster, Mijburgh, Marlow and anyone else visiting England on behalf of WPW. Jane Webster was tasked with the interior decoration of the cottage, paid for by WPW Investments Inc.

In 1998 Fairclough Cottage was sold for £310 000, and the funds remain to this day in Webster's trust account. Webster confirmed that state prosecutor, Anton Ackerman was "furious" when he learned of the sale, and that apart from Ackerman, the only people who have approached him in regard to the trust funds in the interim are representatives of the South African Asset Forfeiture Unit. Ackerman told the Judge that in due course he will take possession of the trust funds.

With regard to Merton House, the luxury Pretoria property, Webster explained that WPW owned the house and directed one of its officers and directors to act on the corporation's behalf - but to the extent that Webster was involved, he received instructions from Basson. He gave Basson no instructions on what to do, buy or use in the house. As with all WPW activities in South Africa, Webster's involvement was confined to the legalities of WPW ownership, and he had nothing to do with the specific use, operation or renovation of Merton House. Indeed, Merton House was already owned by the Wisdom Group when Webster became involved in Basson's affairs. On September 7, 1989, Webster was instructed that WPW was to buy the property in a R850 000 commercial rand deal "as soon as possible".

Webster also testified about the purchase of a condominium in Orlando by WPW and its subsequent sale, as well as the WPW investment in a golf club development in Belgium, and other deals involving property in Belgium and the UK.



**Friday, October 13**

David Webster's understanding of Medchem Forschungs was that Dr David Chu was to set up this company in Switzerland as the research facility of the WPW Group, and to perform contract research for local pharmaceutical companies. In a letter to Webster, Basson deals with formation of Medchem Contract Research, saying Chu is amenable to a system which would see profit-taking diverted outside Switzerland.

However, the new company would have to have a contract with "RNL" (Roodeplaat Research Laboratories) because outside clients would also want to visit RRL. Webster was to transfer 300 000 Swiss francs from Merrill Lynch to Banque Nationale de Paris in Basel, of which 250 000 francs would be used to purchase share capital and as set-up costs. Operating capital would follow. The money was to be regarded as a loan to Chu from Medchem Contract Research for two years at 7% interest.

On November 10, 1989, Webster wrote to Dr Mathys - a Swiss attorney, as he recalls - that Medchem Contract Research was to be owned 50/50 by WPW Investments Inc and Dr Chu. Webster would serve as chairman, with Dr Rittman and Dr Meitz as directors and Basson an unregistered director. Medchem Contract Research was duly incorporated in 1989.

On June 5, 1991, Webster wrote to Chu confirming that WPW would lend Medchem Contract Research the sum of 500 000 Swiss francs for a period of 18 months. Although Webster had been led to believe that Medchem Forschungs was engaged in pharmaceutical research, on his only visit to the facility, it seemed to be "computer-oriented...with very little visible research capability". His understanding was that profits would be generated by Medchem Basel obtaining research contracts, and that the actual laboratory work would be carried out in South Africa, at Roodeplaat. Basel would then analyse the results on computer and supply reports to the outside clients.

Regarding a March 3, 1988 letter from Mijburgh about PCM investing in Delta G Scientific, Webster said almost immediately after launching his association with WPW Investments Inc, he was asked to travel to South Africa to assist in a proposed transaction to acquire an interest in a chemical pilot plant. During his visit, he met many people, including Mijburgh, and "walked through" the plant. He was acting on Basson's instructions in this matter.

His understanding was that a management buyout of Delta G Scientific was to take place, which would give PCM a 51% share and the remaining 49% to Delta G employees. PCM would pay R50-m for the controlling interest. This deal never took place, Medchem Consolidated Investments in the end purchased the controlling shares in the company.

A letter from Webster to Basson dated October 4, 1991, contains the first recorded mention of a family trust to be set up. The letter also refers to Basson and Mijburgh being expected in Orlando "soon". According to Webster, this could have been for one of the two hunting trips Webster and Basson made to British Columbia, he says. The expeditions have to be arranged six to 12 months in advance. The estimated cost of the trip, per person, was \$3 000. Webster paid his own expenses, but has no idea who bore the costs for Basson and Mijburgh.

Webster's testimony continued on Monday 16 October and will be reflected in the next weekly report.

## **Trial Report: Thirty-Two**

### **Reports pertaining to 16 October - 20 October 2000.**

This report reflects the testimony of American attorney, David Webster. The court moved to Jacksonville Florida during October 2000 to hear his evidence and that of Jane Webster.



**Monday, October 16**

On his fifth day in the witness stand, Florida lawyer David Webster was questioned about the Waterson Trust and Waterson Master Trust, set up in the Channel Islands in September 1993. Webster explained that Jersey was a favourable site for offshore trusts, and he had mentioned this to Basson several times over the years, advising him that trusts were common practice in the international business world as a mechanism for holding assets. The need to establish an offshore trust was urgent, said Webster, because Basson had called him to say Annette (his wife) was "giving him some trouble" regarding their newly born son, and wanted him to set up a trust for her.

Webster explained that South Africa was in a state of political flux at the time, and many people were trying to place their assets offshore, legally or not. Basson was anticipating asset confiscation by the ANC government. As far as he knows, the trusts never held any assets beyond an initial loan amount provided by WPW Investments.

Questioned about HAP Potgieter, Webster said that he knew HAP Potgieter, who was referred to him by Basson when he needed Webster's assistance in setting up a US company, related to a South African company, to acquire spare parts for helicopters. Webster set up two companies. He claims he did not know until the week before taking the stand in Jacksonville that Potgieter was a serving SA Air Force officer at the time - and this had come as "quite a surprise". He had "no idea", said Webster, that Potgieter was an active military man when he assisted him, though he "assumed" that Potgieter probably had previous military links, "like most South African males". Webster served as the nominal office holder for Potgieter's companies.

The hearings adjourned until Thursday, October 19, for cross-examination.

**Thursday, October 19**

The cross-examination of David Webster began with him conceding that, although Basson was the only person with whom he had contact or took instructions in connection with the WPW Group, he could not dispute that Basson may have had unidentified principals above him, issuing instructions.

Webster said he became aware, in 1993, that Basson was still an active military officer because Basson remarked that his travels did not entirely comply with the law, since as a brigadier-general now, he was supposed to give more notice of his intention to travel to the United States.

Cilliers said Webster was mistaken, Basson was already a brigadier from January 1988. Furthermore, Cilliers claimed that Webster had attended Basson's promotion party, at his home in Pretoria. Webster denied this saying he had never seen Basson in uniform nor heard anyone address him by rank, and he has no memory of a promotion party. Further proof that Webster was at all times aware of Basson's military status, said Cilliers, is that Basson arranged for Webster to visit the operational area in 1987. Webster admitted that he and Wilfred Mole had visited Namibia and had been to a military base there. According to Cilliers, Basson had sent a medical doctor from 7 Medical Battalion to act as their escort.

Cilliers claimed that when Basson met Webster, he (Basson) disclosed that sanctions-busting would be involved in his business deals. Only to the extent that Europeans would be doing business in South Africa, said Webster. In fact, said Cilliers, the reason Mole brought Basson to Webster was because he was so satisfied with the lawyer's services in regard to sanctions-busting. Webster was adamant that in his presence, no reference was ever made by Mole or Basson to a vehicle to beat sanctions. Cilliers referred to the assistance Webster had given HAP Potgieter as an example of how he had helped the SA Defence Force, and noted that Potgieter was a general in Special Forces. Webster said this came as a surprise to him.



Webster told Cilliers in response to questioning that he never met anyone who gave instructions to Basson, but conceded that from time to time, he himself took instructions from Bernard Zimmer, Philip Mijburgh and Sam Bosch. Cilliers said his instructions are that Webster did meet one of "the people involved", in Orlando, namely one Dieter Dryer of the East German Intelligence Service. Webster has no recollection of this, and said the only Dieter he ever met, had nothing at all to do with WPW Investments Inc.

Cilliers then focussed on the testimony of South African lawyer, Christopher Marlow by the Office for Serious Economic Offences (OSEO) during which Marlow made reference to Webster's involvement in deals. In most of the instances about which he was questioned Webster denied Marlow's claims. For example: Marlow had told the OSEO that the group's aircraft were made available free of charge to people such as President Nelson Mandela, but that in order to get approval for such a free trip, Webster had first to be consulted. Webster vehemently denied this. He said he knows "with certainty" that he only found out after the Jetstar was returned to the United States that Mr Mandela, as he was then, had flown in the aircraft.

During continued cross examination Cilliers put it to Webster that he had been consciously involved in assisting Basson and his unnamed principles in sanctions busting exercises and had been involved in the procurement of substances and equipment for the chemical and biological warfare program. A claim Webster denied.

Cilliers put it to Webster that there was never an intention to acquire shares in Roger Buffham's company, CSD, and that all his dealings with the company were merely a front for a secret deal by Basson involving certain equipment that Buffham provided to the SADF through a group of people. Webster says his only comment on this can be: Fooled me. Well, said Cilliers, you were fooled, but so were British Intelligence and the CIA for about 12 years. Cilliers said Basson was evidently quite good at fooling people, so Webster should not feel bad about being one of them.

The cross-examination of Webster was postponed to Monday, October 23, to allow him to meet prior commitments. Meanwhile, his wife Jane will be called to testify.

### **Monday, October 23**

Evidence in chief of Florida attorney David Webster's wife, Jane, was led by junior prosecutor Werner Bouwer. She was previously interrogated by Ron Henry, of the US Attorney's office, and Office for Serious Economic Affairs prosecutor Dawie Fouche, in the USA in April 1998, and made an affidavit at that time.

Jane met Basson in 1986 when, while still dating David, she accompanied him to the Cayman Islands to meet a friend/client of Wilfred Mole. The purpose of the trip was for David to meet Basson, introduced to them as a South African cardiologist. Jane said she had no idea he had military ties in SA. At a later stage, she became general and administrative manager of WPW Aviation, first operating out of Winter Park, Florida, later from Fairclough Cottage at Warfield, England.

On November 22, 1989, Jane wrote to Basson regarding the lease of the King Air. She said in the correspondence that despite problems collecting payment from the UN, she had "made it happen". In January 1990, she wrote to Basson: "In talking to the UN regarding billing discrepancies, I spoke to a Major Harper and asked him if they had any further need for the plane, or knew of other agencies that might. He suggested we contact the UN agency in Geneva. Let me know if I should go any further with this or just plan to go to Geneva, Switzerland. I will continue to identify the best means of soliciting interest in leasing the plane and keep you informed". Jane testified that she had no idea who signed up the UN as a client of WPW Aviation, as this arrangement was already in place when she came on the scene. On February 2, 1990, Jane wrote to Basson: "Some good news, finally. We received a wire



transfer for \$94 000 from UNTAG. On March 28, 1990, she wrote to Basson that UNTAG had wired payment for an invoice of \$33 000, 50% of the amount owed.

For 18 months Jane Webster stayed in the cottage in Warfield. She said it was convenient for Basson and Philip Mijburgh to have her living in England, as the time difference with SA was more favourable than that of Florida, and when they had business in Switzerland or Europe, they could spend time at the cottage and go over business matters with her in person.

She named the people who stayed at Fairclough Cottage as, Basson, Mijburgh, Swanepoel, Bosch, Annette "and some of her friends", Tjaart and Marie Viljoen, Chris Marlow - pretty much anyone in the group that worked with Dr Basson and WPW, she said. She made three or four visits to South Africa in connection with the WPW Group. On her first trip, she and David went "with the group" to the Kruger National Park, courtesy of WPW.

According to Jane Webster, WPW stands for "a heart condition". Basson told her so. One night, while she was in residence at Fairclough Cottage, she and Basson were watching a television programme. She could not recall the details, but at one point, mention was made of three medical conditions - Wolff, Parkinsons and White - and a very excited Basson drew her attention to the screen, saying you see, that's what the name stands for. She laughed and said oh my, we always thought it was Wouter, Philip, Wynand, but Basson said no. "And he explained to me about the heart condition, that was the drug, I believe, that was patented to cure that heart condition, and that's where the funding came from for WPW". Jane understood that this drug had been patented by WPW. Someone, possibly David, told her that "this group of doctors had patented drugs and that was the origin of their wealth".

In cross-examination by Adv. Tokkie van Zyl, Jane said at their first meeting in the Caymans, there was some talk between Basson and David, both being ex-military men, of similar conditions encountered during their respective wars in Angola and Vietnam. But she is adamant that her impression was that Basson had retired from the military, and says she has no idea if she ever learned that he was actually still active in the SA Defence Force. Basson never told her this and she still does not know it "as a fact".

>From 1993, she says, she and David did not hear from Basson for almost two years., She would fax him with queries, but get no reply, so all her information and instructions were coming from David. Jane had "a couple" of phone calls from Basson, but there was very little contact, except for a limited period before WPW bought Tub-Master, but this was close to 1995. She said she believed that Basson, Mijburgh, Swanepoel and Bosch owned all the companies, and the Jetstar. She understood that Basson had an interest in the Orlando condominium as a member of the group, and that he and Annette were to pick out the decor and finishes.

Asked, by Adv. Van Zyl if she was aware of problems at the cottage at any stage, because someone made a telephone call to a country that should not have been made, Jane said yes, the call was made to Libya. She learned of the problem via routine contact with John and Elsie Stockton (Property caretakers), to wish one of them a happy birthday. They told her Marlow was at the cottage, and Jane was puzzled by this, since no one should have been staying in the cottage without her knowledge. A little while later, either Mijburgh or Basson contacted David and told him Marlow was not to stay at the cottage because of the problem caused by the phone call to Libya. At some point, Jane was told that the group was "dealing with tobacco - selling tobacco - in Libya".

Van Zyl asked Webster what, apart from WPW's standing regarding the heart drug claim, other business had Jane thought the group was conducting? What had she made of the aircraft flying to Angola, for example? She had seen nothing clandestine about those flights, she said, nor anything underhand or illegal. But in time, she began to see a pattern: everything, it seemed, lost money. "I justified to myself that they were transporting people and drugs and research equipment to make sure that they could keep secret what direction they were headed in with the AIDS research," says Jane, but she considered this more a corporate secret than a covert operation, and attached no military connotation to it at all. Van Zyl said



that the defence case is that drugs bought for the SADF were transported in the aircraft, along with information and technology obtained by clandestine means from countries where they were not welcome, from people who were not entitled to give it to them, "and that's exactly what they did".

Van Zyl put it to her that Basson never had a personal interest in the companies, and that nothing was done for his personal benefit, only for that of the WPW Group, which was erected to be a vehicle for transactions on behalf of the SADF to acquire technology, materials, chemicals and information needed for the CBW project, and this was the sole reason Basson was involved with the group or any of the companies.

The hearings adjourned until Monday, October 23, for further cross-examination of David Webster.

### **Monday, October 23**

The final day of the Jacksonville hearings began with the continued cross examination of David Webster by Adv. Van Zyl.

Asked if he believed the money flowing into the WPW Group emanated from Basson's cardiology practice, Webster said no. He certainly believed that Basson was an affluent cardiologist, but at their very first meeting, Basson had claimed to be involved in cardiac research and development of pharmaceutical patents, and indicated that he was being paid royalties on these products, along with Mr Blucher.

Van Zyl put it to Webster that he knew full well that Basson had certain dealings and relationships with, and was involved in transactions in, Russia, East Germany and Libya.

Webster denies this, saying he can remember Basson mentioning that he had been to Russia regarding some sort of chemical "they were able to obtain from the brains of dead people". Basson offered no specifics, but said there was a problem, because it "takes a lot of dead brains to make any substantial quantity of the chemical". Basson told Webster that he had been to Russia a couple of times - and spoke in passing of going out drinking with "some people" in St Petersburg, but this was quite late in their association, certainly into the 1990s, says Webster.

Regarding the February 1987 documents about WPW's proposed investment in Delta G Scientific, Van Zyl said at that stage, there was definitely no situation that would have placed Delta G on the open market for outside investors. The documents had merely been created, he says, as a front for Delta G, to create the impression "to the outside world" that it was a private company, whereas it was actually an SADF facility.

Had it been Webster's understanding, Van Zyl asked, in regard to the Contresida deal, that Dr Chu would lend \$100-m in his personal capacity to the newly formed Contresida Trust? Webster cannot remember that Chu was to make a personal loan, but "someone" was to facilitate a government/World Health Organisation loan, and that could have been Chu. At the time, Chu was not yet involved in the group and Webster had not met him.

Van Zyl said his instructions were that there had never been any reference to a WHO loan. Some intelligence people from the East European bloc and Russia wanted, or intended, or thought of "washing" money into the Western system, and that was what Contresida was all about.

Webster said that both he and Jane had observed on several occasions that Basson seemed to be picking very poor business deals, poor people to manage his companies and was uniformly losing money, says Webster.



All of which, Van Zyl claims, was because creation of the WPW Group had several goals. It had to serve as the structure to facilitate the acquisition of equipment and substances for the SA Defence Force's CBW programme. At the request of the Eastern Bloc suppliers, a structure had to be created to deal with payments in the Western world. Thirdly, Basson's personal cover story was that he was a wealthy international businessman, but he was using the front companies to do deals and acquire technology, etc.

The hearings concluded with Judge Willie Hartzenberg expressing warm appreciation to all those involved in making them possible. Special thanks were extended to Ron Henry of the US Attorney's office for all his assistance, and to US Attorney-General Janet Reno.

## Trial Report: Thirty-Three

**This report covers the period Monday 30 October - Friday 3 November 2000.**

### **Monday October 30, 2000**

The court resumed in Pretoria after having heard the evidence of David and Jane Webster in Jacksonville, Florida, USA. The first witness to be called was **Reverend Frank Chikane**, currently director-general in the president's office and secretary of the cabinet. He is also pastor of the New Apostolic Faith Mission in Naledi, Soweto and chairman of the International Council of Churches. Reverend Chikane was an outspoken anti-apartheid activist and church leader during the 1980s. Rev. Chikane told the court in detail of his experiences in 1989 when he believed he was poisoned. He fell ill repeatedly during a trip to Namibia and a subsequent trip to the USA. One four occasions he nearly lost his life as a result of what he believes to have been an attempted assassination through poisoning. The defence team put no questions to Chikane during cross examination.

The next witness was **Dr Daniel Smith**, a gastro-intestinal specialist from the University of Wisconsin Medical School, who was Chikane's primary physician on all three occasions that he was hospitalized in the USA in 1989. Among the documents filed with the court is the incident report from the University of Wisconsin police, tests carried out on Chikane's wristwatch and shoes and tests conducted by the US Department of Agriculture. A published article produced by the defence team during cross-examination of Dr Andre Immelman was also filed by the State. This is an article on organophosphate poisoning based on the results obtained in the Chikane case by the Wisconsin State Laboratory of Hygiene. FBI test reports were also filed with the court. During each of Rev. Chikane's hospitalizations tests were conducted in an attempt to determine the nature of his illness. On the third occasion that he was hospitalized the presence of P.nitrophenol, a breakdown product of many organophosphates in Chikane's urine sample, along with the earlier test results, provided "strong evidence", according to Smith, that Chikane had been exposed to an organophosphate. He claimed this was "the single best explanation" for his illness.

During cross examination of the witness, Adv. Cilliers asked Smith why it had taken so long for him to diagnose organophosphate poisoning and why he had failed to treat Chikane with atropine when he was first admitted. Smith explained this saying that Chikane had not been exposed to organophosphates in the normal course of his activities and was an unlikely candidate for organophosphate poisoning. The case was also confused by Chikane's rapid recovery between bouts of illness.

The next witness was **Dr Thomas Lynch**, a chemist and bacteriologist who joined the Federal Bureau of Investigation as a special agent in 1981. He is a certified forensic laboratory examiner and spent almost 10 years in the FBI's chemical toxicology unit. The only time Lynch has ever been involved in the identification of Paranitrophenols was in the Chikane case, when he conducted tests on blood, urine and personal effects. In the urine he found P.nitrophenol, a metabolite of a number of insecticides, including Parathion, Methylthion and Chlorothion. It is also the metabolic pathway breakdown from Parathion to



Paraoxon. Clothing items were tested by steam distillation in four different batches, but no insecticides or nerve agents were found.

The presence of P.nitrophenol in the urine sample, together with the symptoms he was told the subject had shown, would be consistent with an acetecol esters inhibitor such as Parathion or Paraoxon, Lynch said, but his tests had not produced the parent compound.

In cross-examination, Cilliers put it to Lynch that he had not the slightest idea exactly where the blood and urine samples he had tested, had come from, or under what circumstances they had been obtained. Lynch conceded that he did not know who had initially taken the samples, but said when they reached him, they were in a sealed box and he could thus vouch for the integrity of the chain of evidence from the time the samples were handled by the FBI field office in Milwaukee. The defence challenged his certainty.

### **Tuesday October 31,2000**

The day began with the admission of two affidavits which the defence has not placed in dispute. **Jakobus Kotze** formerly a security branch policeman who served at Jan Smuts airport (now Johannesburg International airport) states in his affidavit that he had assisted three security branch officers, Chris Smit, Manie van Staden and Gert Otto in obtaining passes which would grant them access to all areas of the airport. These three men are alleged to have been the recipients of toxins from RRL which was handed to them by Dr. Andre Immelman, according to his testimony in May this year. A second affidavit from a security policeman stationed at the airport confirms that the officer saw the three policemen in question at the airport on a number of occasions.

The first witness of the day was **Charles Zeelie**, warned against self-incrimination in the Chikane matter and the broad conspiracy charge (Charge 63). Zeelie joined the police in 1969, transferring to the Security Branch at John Vorster Square, Johannesburg, in July 1976. He is a qualified explosives expert and one of only a few security policemen, he claims, who underwent a three-week lock picking course. Zeelie testified that one weekend, he and Nanny Beyers (his colleague in the security branch) met Manie van Staden and Gert Otto at a restaurant at Jan Smuts Airport. He said such a meeting would usually have been arranged through his commanding officer. During the meeting, Zeelie and Beyers were told a Stratcom (a strategic communication operation aimed at disrupting target organisations) was being planned during which a toxic substance would be applied to the clothing of Frank Chikane. Van Staden did most of the talking, and asked Zeelie if he had a contact in the airport security branch who could be trusted and could assist them during the operation. Zeelie assisted the two by putting them in touch with a contact person at the airport: Boela Botha.

Some time after this initial meeting, Zeelie and Beyers went to the airport one night and met Burger. Zeelie saw both Van Staden and Otto at the airport. As arranged, Burger brought a black suitcase to an office, where Zeelie and Beyers - another qualified police locksmith - picked the lock before handing the suitcase back to Burger. Zeelie does not know what happened thereafter, and cannot say if the suitcase was handed to Van Staden and Otto, though he remembers them being in the office at some point. Zeelie had told Burger that the suitcase they wanted, was that of Chikane. Some time thereafter Zeelie saw newspaper reports about Chikane's illness. During cross examination the defence team challenged Zeelie's testimony and his failure to have applied to the truth commission for amnesty for his role in the affair.

The next witness was **Nanny Beyers**, similarly warned against self-incrimination. Beyers was a security policeman responsible for monitoring religious and church support for the ANC and PAC, specifically via youth movements. He was also involved in ongoing surveillance of Beyers Naude, Frank Chikane, Saci Macozoma and Dr Wolfram Kirschner of Justice & Reconciliation. Beyers testified to his role in the interception of Chikane's suitcase at the airport. Beyers was unable to say definitively that the incident of the interception of the suitcase had to do with Chikane's poisoning.



**Boela Burger** then testified about his role in the interception of Chikane's suitcase, saying he handed the suitcase to Beyers and Zeelie.

The court adjourned to reconvene on Friday 3 November.

### **Friday November 3, 2000**

The day began with the formal admission of three affidavits which have not been placed in dispute by the defence, thus obviating the need for the State to call these particular witnesses:

**ARCHBISHOP DESMOND TUTU** states that during August 1989, a monkey/baboon/ape foetus was suspended from a tree in the garden of his official residence at Bishops court, Cape Town, apparently in an attempt to intimidate him. The foetus was discovered by a gardener, who told Tutu about it. Tutu states that he was in no way intimidated by this crude attempt to capitalise on superstitious beliefs.

**DULLAH OMAR** states that in 1989, he was the legal representative of Bongani Jonas, who refused to testify for the State against (now ANC chief whip) Tony Yengeni. At the time, Omar was also president of the National Association of Democratic Lawyers (Nadel) and chairman of the United Democratic Front in the Western Cape and an active participant in the anti-apartheid movement. Since 1979, he had been suffering from a heart ailment, and used prescription medication daily to control the condition. Despite this, while attending a conference in Durban in 1989, he suffered a heart attack, was treated at St Augustine's Hospital and recuperated at the home of a doctor friend before returning to Cape Town. Omar was oblivious at the time to any attempt to assassinate him, and the alleged Civil Cooperation Bureau plot to do so by tampering with his medication only came to his notice at a much later stage.

**PAUL ERASMUS**, a security policeman from 1977 to 1993, states that while attached to the SA Council of Churches desk, he handled a number of informants. At some point, it came to his knowledge that there was an officially sanctioned plot to poison the Reverend Frank Chikane, and shortly afterwards, Erasmus himself placed Chikane's name on a hit list, after discussing the plan with fellow security policeman Nanny Beyers.

The defence has accepted the affidavits of another 25 State witnesses, whose testimony is similar to that of the above-mentioned three individuals. These statements will be formally filed with the court on Monday November 6.

The sole witness called by the State may not be identified or photographed and is known as **Mr T**, a former Civil Co-operation Bureau (CCB) operator.

Mr T revealed that he was the regional co-ordinator of the CCB's Region 9, specifically tasked to wage psychological warfare against "enemies of the apartheid state". Murder and physical violence played no part in the functions of Region 9, which made use of the services of psychologists, sociologists, anthropologists and even traditional witchdoctors to devise ways of intimidating selected targets. At some point during his CCB career, he acted as medical co-ordinator for Region 6, and later as intelligence co-ordinator for this region. As medical co-ordinator, he acted as liaison between the CCB regions and the "system". When a medical doctor or medication was needed, Mr T would be informed by the region concerned and he would feed the requirement up the chain of command. His chief link upwards was a medical doctor known to him as Frans.

Mr T confirmed that on Thursday November 2, he had identified a "big, blonde, bearded" man as Frans during consultation with State prosecutor Torie Pretorius. Frans was accompanied at the time by his attorney, Bernard van der Hoven.



He received substances in various forms - envelopes, plastic bags, wrapped parcels. He did not always know what was in the parcels, but assumed the substances would be used to further the aim of maximum disruption of the enemy. On one occasion, he recalls, he had to deliver a substance as innocuous as the cortisone ointment, Quadriderm.

At no time would he have known who the substances were to be used against. Nor did Mr T have any idea where Frans obtained the substances requested and handed over to CCB operators. Mr T testified to his role in the placing of a baboon foetus in Archbishop Tutu's garden saying he believed it would have intimidated the Archbishop into withdrawing from public life for a period. 20

Regarding the attempted murder of Dullah Omar, Mr T played a "small" role as a courier. He was given a plastic packet of white pills by Slang van Zyl which he in turn handed to "someone" at head office - he claims he cannot remember who - and that was the last he saw of them. Defence counsel Adv. Jaap Cilliers drew attention to the fact that Mr T specifically referred to white pills, while the Indoril heart medication containing Digoxin, which Omar was using at the time, is pink in colour. In cross-examination, Cilliers put it to Mr T that it was absurd to suggest that Basson, already a cardiologist at the time, would not have known that the white pills could not be Indoril.

In cross-examination, Adv. Cilliers put it to Mr T that in his affidavit, he says he knew Dr Frans as the medical officer for "the unit" who provided legitimate medication to members. Any suggestion that Dr Frans supplied any substances other than legitimate medication, could thus be nothing more than speculation on Mr T's part, said Cilliers. Furthermore, Mr T had to admit that as far as he knew, Dr Frans was never involved in any physical violence, and that he has no knowledge of Basson having anything at all to do with the CCB.

## **Trial Report: Thirty-Four**

**This report covers the period Monday November 6 to Friday November 10, 2000**

### **Monday November 6, 2000**

The first witness was **Lieutenant-General Dirk Verbeek**, chief director counter-intelligence from January 1988 to the beginning of 1993. In this capacity, he was in charge of SADF and Armscor security, personnel clearance, and anti-espionage measures. He said that from 1987 he was aware that Project Coast was designed to develop and offensive and defensive CBW capacity for the SADF. He said Coast was one of the top 10 most sensitive/ clandestine SADF projects at the time, along with the nuclear bomb project, but that it was not the most sensitive or highly classified. Security was, however, of prime concern in regard to Coast, due to the danger of exposure through espionage. Verbeek testified about the functions a security officer would have performed in a project such as Coast.

Verbeek said the Coast security officer should have known: the names of role players in the project, including directors of foreign companies through which project funds were channeled, details of all foreign bank accounts used for Coast funds, the signatories to such accounts, details of all and any safe houses used by project employees, all companies linked to the project, about contact between the project officer and anyone else involved. As counter-intelligence chief, Verbeek himself had no knowledge of any contact between Coast/Basson and Libya, anyone in the SADF and Libya, contact between Basson and Libyan intelligence or security forces up to 1992. Verbeek testified that from 1994, it became "common knowledge" that such contact had taken place. He has no knowledge of any equipment or chemical substances being provided to Coast from Libyan sources, or of Libyan intelligence agent Yusuf Murgam. Verbeek also said he had no knowledge of the properties allegedly owned Basson abroad.

Verbeek said that in 1991/2 a counter-intelligence investigation was launched into Project Coast after apparent irregularities were identified. Verbeek said that he could not determine



how the numerous companies which turned up, fitted into the project. The probe produced a list of 137 companies based on unconfirmed/unsubstantiated information. Since Military Intelligence did not have the forensic and financial expertise or staff needed to probe the financial affairs of the project, Verbeek personally tasked the office of the Auditor-General (Wally van Heerden) and the Office for Serious Economic Offences (Jan Swanepoel) simultaneously to launch investigations. He said the counter-intelligence probe had been incomplete. Verbeek said he had no knowledge of the WPW group of companies nor of the alleged foreign donation of some 32 000 NBC suits to Unita, and has no knowledge of such donated suits being distributed by Military Intelligence.

During cross examination Adv. Cilliers put it to the witness that he appeared to have very little knowledge of Project Coast but asked him to agree that Project Coast was highly successful and said that for more than a decade, right under the nose of major foreign governments, a CBW programme was established for the SADF which "amazed" the American and British authorities when they finally learned of the project's achievements, yet at no stage was the project compromised or exposed and no equipment was ever seized or confiscated. Verbeek said in response that if the CIA or MI6 had knowledge of the project, Military Intelligence would not necessarily have been informed, or even have realised that security had been breached.

Dr Torie Pretorius then called **Sybie van der Spuy**, managing director of EMLC for 12 years from November 1, 1980. Van der Spuy said no chemical work was ever carried out by the company. He said that when he first joined EMLC he found a room containing a large amount of bulk chemicals and a carton of what appeared to be clothing. As he moved across the room to examine the clothing, one of his new employees warned him not to touch it. Asked why not, the employee told Van der Spuy: "Because those clothes are poisoned and if you put those underpants on, you'll be dead by tonight". Van der Spuy offered no further explanation, but says he immediately ordered the contents of this room to be destroyed, and was later informed that this had been done.

Van der Spuy said he knows Bill Grieve, who joined EMLC during the period when a number of former Rhodesians joined the South African security forces. He said Grieve was a "reasonably good" explosives expert.

Van der Spuy testified that when EMLC was shut down, he had a phone call from Basson almost immediately who offered him a job as technical director at Delta G Scientific. This saw Van der Spuy in charge of plant maintenance, and he had nothing to do with the laboratory equipment.

In cross-examination, Cilliers put it to Van der Spuy that prior to him joining EMLC in November 1980, the company obviously was involved in the manufacture/supply of toxins, and, as illustrated by his encounter with the underpants, clearly had the ability to apply toxins to items of clothing. Van der Spuy says this may or may not have been the case, but he put an end to the practice immediately, in terms of his agreement with Loots that no chemical work would be done.

The next witness was **Dr Jan Coetzee**, founder and first managing director of EMLC. He came to the post via the Chemical Defence Unit of the CSIR, where he was head of the Department of Special Equipment - tasked to develop special counter-intelligence equipment for the Special Operations Group of the SADF (forerunner of Special Forces). Coetzee was recruited by Gen. Magnus Malan, SADF Chief at the time, for the Defence Research Institute. His orders from Malan and Gen. Fritz Loots were to concentrate on the operational needs of the Special Operations Group. At the time, Coetzee worked out of Armscor premises and was funded from the Armscor budget. Coetzee said that at no time under Coetzee was EMLC engaged in chemical synthesis or extraction. His staff included lowly qualified chemists, but none capable of advanced chemical work. Mostly, he used national servicemen who had a mechanical bent.



Coetzee testified that during August 1980, Johan Theron came to see him and told Coetzee he wished he could find a way out. Asked why, Theron said he was under enormous stress. Coetzee questioned him about the cause of this stress, and says Theron told him he was involved in certain operations which required people to be injected before being thrown into the sea from aircraft.

Note: Theron testified in May that he was involved in operations in which Swapo members were given muscle relaxants in overdose and thrown from an aircraft.

In cross-examination, Coetzee said he was never involved in the killing of anyone by means of chemical substances. Coetzee did not know about the poisoned clothing found by Van der Spuy.

Coetzee said he was aware of experiments carried out with organophosphates on clothing in Rhodesia. In re-examination, Pretorius asked Coetzee to expand on his knowledge of organophosphates used in Rhodesia. He said he was approached on one occasion (prior to his departure from EMLC at the end of August, 1980) by a courier for Rhodesian Special Forces, who gave him a typed report, in point form, of toxic substances, including organophosphates, applied to various parts of the body, and outlining the exact results/effects. He turned the document over to the Surgeon General at the time, Gen Nico Nieuwoudt.

#### **Tuesday November 7, 2000**

Senior prosecutor Anton Ackerman called former Military Intelligence chief **Lieutenant-General Witkop Badenhorst**, who joined the SADF in 1962 and retired in November 1991. From 1989 - 1991 Badenhorst was Chief of Staff Intelligence in the SADF. Before that he was Chief of Staff Operations. As Chief of Staff Operations, Badenhorst co-ordinated all SADF military operations, both inside South Africa and in then South West Africa. He first became aware of the existence of Project Coast while Chief of Staff Army Logistics (1982-1987) as the result of New Generation Teargas (CR) grenades being used operationally. From 1986, Badenhorst was aware that Coast's objective was establishment of a chemical and biological warfare programme, and he knew that it was a SAMS project, with Basson the project officer.

As Chief of Staff Intelligence he inherited the Project Coast budget since Military Intelligence was responsible for the execution of certain financial aspects of the project. However, one of the first things Badenhorst did in his new position was have the Coast budget transferred from Military Intelligence to the control of Chief of Staff Finance because he was unhappy with the lack of checks and balances for expenditure on classified projects handled by Military Intelligence.

When Badenhorst arrived at Military Intelligence it was common practice for a project's entire budget for the year to be paid to the project officer, and spent at his discretion. In the case of Coast, millions of rands from the secret defence account were transferred to foreign bank accounts by a junior officer on the strength of the surgeon-general's signature, or that of Basson. Instructions for transfers contained no more information than an order to transfer a specific amount to a designated foreign bank account. There was no motivation for the expenditure and no way Military Intelligence could control what happened to the funds after transfer, and this was not acceptable to Badenhorst from an auditing point of view. He introduced a system which required project officers to motivate all expenditure in detail, for his authorisation. At the same time, the three members of the Auditor-General's staff allocated to Military Intelligence on a permanent basis were given total access to all secret defence account expenditure to enable them to conduct full audits on all classified projects run by Military Intelligence. However, Coast was a SAMS project, and Badenhorst was unable to enforce the same system, so instead, requested that control be transferred to Chief of Staff Finance. He was not prepared to accept responsibility for expenditure when he had no way of knowing what happened to the money once it was sent abroad by the Reserve Bank.



Badenhorst told the court that he was unaware of the management structures of Project Coast and never attended a Co-ordinating Management Committee meeting, despite the fact that the Chief of Staff Intelligence should have been a permanent members of this committee.

Badenhorst said he had no knowledge of the aircraft used by Project Coast nor of the protective clothing for SADF troops. He also said he knows nothing about the issue of NBC suits to Unita, despite the fact that the logistical support programme for Unita fell under his direct control as Chief of Staff Intelligence. He said that from 1976, when Angola was invaded, the SADF poured equipment into Unita's stronghold. Arms, ammunition, clothing, uniforms, boots and shoes, food and medicine were supplied by the ton until the adoption of UN Resolution 435. After this, South African aid to Unita was officially scaled down to humanitarian items only - clothes, food, medicines - but, says Badenhorst, clandestine supply of fuel, arms and ammunition continued unabated.

In cross-examination, Badenhorst said he had never heard of the Co-ordinating Management Committee, and as far as he was concerned, management of Coast was handled by the Reduced Defence Command Council. While he was Chief of Staff Intelligence, the SADF was headed first by Jannie Geldenhuys and then by Kat Liebenberg. Badenhorst agreed with Adv. Cilliers that Liebenberg had his own way of doing things, and seldom paid more than lip service to accepted SADF procedures. Cilliers put it to Badenhorst that according to Knobel, the CMC did not want to know any details of Coast's business, Basson could thus not be held responsible for simply carrying out his orders. Badenhorst said he had a serious problem with that approach, as particularly with so sensitive a project, any exposure or security breach could have had international repercussions - but if Basson's orders were to divulge no details of his actions to the project management, he could not fault Basson for carrying out such orders.

### **Wednesday November 8, 2000**

The first witness was **Gerald Cadwell. Cadwell**, despite not having qualified as a chemist has worked as a chemist since 1966 and was recruited to Delta G Scientific in 1983. Cadwell's first task was the up-scaling of the manufacture of new generation tear gas, CR. All equipment needed for the up-scaling project had been obtained from "normal" suppliers in South Africa, said Cadwell.

Cadwell testified that he was instructed by Basson to dissolve CR in methanol and a "couple of hundred" litres was prepared for testing. Prior to moving the operation to Delta G Scientific's Midrand plant in August 1985, Cadwell estimates that about 50kg of CR was produced. In total, says Cadwell, 24 tons of CR were manufactured from mid-85 to late 1986/early 1987. A 250-litre reactor and a 1 000-litre reactor were used.

Shortly after the CR project was shut down, while Cadwell was technical production manager and Corrie Botha was production manager, 1 200kg of methaqualone was made. Cadwell and Botha were also involved in the extraction of oil from about a ton and a half of cannabis at DGS. Again, Cadwell has no idea what the purpose of the process was. No questions were put to Cadwell in cross examination.

The next witness was **Barry Pithey**, a qualified chemist who was recruited by Willie Basson in April 1982 to create a business front for Delta G Scientific, through which pharmaceutical-related and some agricultural products could enter the "extremely competitive" commercial market. Pithey said the chief product made by Delta G Scientific was CR, but CS was also manufactured. In 1988, Pithey became involved in the production of methaqualone.

Pithey said he was aware of an Ecstasy project at Delta G Scientific under the code name Baxil. The project represented business worth "several hundred thousand rand" for DGS. The product was delivered to the premises of Medchem Pharmaceuticals, a company owned by Mijburgh. Pithey was never told why Ecstasy was being made.



In cross-examination, Pithey named Jerry Brand as a chemical supplier who was able to "get hold of anything that was needed, even by Delta G Scientific".

Pithey's testimony was followed by the filing of affidavits:

**WILLEM NEL**, a financial executive with Sentrachem and qualified auditor since 1986, states that the company bought Delta G Scientific in August 1993. In late 1994 and January 1995, he visited the site to conduct routine stock-taking and compile an inventory. During this exercise, a number of drums were discovered, containing unidentified chemicals. Nel was told (he does not say by whom) that the drums and their contents were the property of General Lothar Neethling, former head of the SAP Forensic Laboratory. Based on this information, Nel informed the police, who came to fetch the drums.

**E MORRIS** of the SAPS Forensic Laboratory, states that he was telephoned some time in 1995 by Willie Nel of Sentrachem and told that a number of drums believed to contain the precursor for methaqualone had been discovered. Morris informed Nel that the Organised Crime Unit was aware of the drums and had already launched an investigation into their presence at Delta G Scientific. The drums had been taken into custody and analysis of the contents confirmed that they contained the precursor for methaqualone.

**HENDRIK WESTRA**, SAPS superintendent, states that on November 16, 1995 he fetched the drums from DGS in Midrand and placed them in police custody.

**JOHANNES CARSTENS** of the SAPS confirms that he was present when the drums were picked up at DGS.

**FRANCOIS DE BEER** of the SAPS states that he locked the drums in a vault at the SAPS Forensic Laboratory on receipt.

Forensic analyst **ETIENNE VAN ZYL** states that on March 7, 1997, he was asked to test the chemicals in the vault. A week later, he went to the Silverton Forensic Laboratory and tested the contents of a number of blue plastic drums. They were found to contain 840kg of methaqualone precursor, from which, he estimates, 820kg of pure methaqualone could be manufactured. Drums containing 80 litres of Quinezoline were also found, from which an estimated 130kg of methaqualone could be made. Van Zyl estimates that 3,5-m Mandrax tablets could have been made from these two substances. Some of the drums were found to contain talcum powder, used as a filler in the pharmaceutical industry, magnesium stearate, used in the making of tablets, and cellulose, used to set up a chain reaction during the manufacture of methaqualone.

Cilliers confirmed that these statements were being accepted without dispute, except in respect of hearsay, such as that the drugs belonged to Lothar Neethling.

Admissions were then also filed regarding the disappearance of three of the Renamo members identified as assassins of Renamo secretary-general Orlando Cristina on April 17, 1983. These statements have been made by family members of the three men and record that Boaventura Bomba was a Renamo member who had been living on the SADF farm Fontana, north of Pretoria, since 1982. After the death of Cristina, he was taken away from the farm by the police on May 2, 1983, and his family was told he was later taken to Gorongoza in Mozambique, where the Renamo headquarters were. He was never seen by any member of his family again.

**FELIX NDAMENE**, aka Bob Dixon, a former member of 5 Reconnaissance regiment, Phalaborwa, states that Corporal Mack Anderson, formerly of Beira, was incarcerated in the detention barracks at 5 Recce headquarters during 1987. At the time, Chris Pretorius was in charge of the barracks. On December 11, 1987, Anderson was removed from the barracks by Pretorius and taken to the shooting range, where he was injected before he/his body was thrown out of a helicopter across the border in Mozambique. According to the official SA



Defence Force records, Anderson has been listed as absent without leave from December 12, 1987.

The next witness was Dr Klaus Psotta, now self-employed and a doctor in organic chemistry, who was warned against self-incrimination on Charge 63 (broad conspiracy). Employed at the CSIR until 1982, Psotta was recruited to Delta G Scientific in June of that year, and was under no illusion about the nature of the company's work in the CBW field. He worked in the synthesis department until he was transferred to Roodeplaat Research Laboratories in February 1984, where he continued to synthesise chemical compounds. He said he knows Basson and saw him a lot at the two front companies. On Basson's direct orders, Psotta was tasked to synthesise 500g of methaqualone after he moved to RRL. However, when Psotta learned through rumour that Delta G Scientific had been ordered by Basson to produce 500kg of methaqualone, he stopped the work he was doing, as he considered Basson to be wasting his time with such a small quantity while Delta G was already producing methaqualone by the kilogram.

Other work done by Psotta was the synthesis of Paraoxon, Tabun, Monensin and VX, although the latter was a complicated and difficult process and he progressed only as far as the first two or three steps.

Psotta was a member of the data-capture team headed by Kobus Bothma which worked out of offices at the Medchem Consolidated Industries premises in Centurion, under the aegis of Data Image Information Systems. The third member of the team was a Susan Swanepoel and Mijburgh was the project chief. Their task was to capture documents from Delta G Scientific on the chemical and biological warfare programme. As best as Psotta can recall, documents scanned consisted chiefly of published literature which was fairly openly available. There were a few documents of a more technical nature which "might" have been obtained by Basson on his many travels. All documents were shredded by Bothma after scanning onto optical disks.

Psotta testified that he had synthesised paraoxon whilst at RRL. He also tested the stability of the organophosphate in nicotine and alcohol. The results of his experiments on Paraoxon mixed with alcohol, specifically whisky and gin, were given to Dr James Davies and Dr Schreuder. Asked if, while engaged in this work, he ever envisaged the use of Paraoxon against enemies of the State, Psotta said given the political climate at the time, it would have been almost impossible to envisage any other purpose for Paraoxon mixed with whisky, gin, and in cigarettes. In principle, he had no qualms about their use against "the enemy". In cross examination, Adv. Cilliers stated that the purpose of the experiments was to devise protection for VIPs.

The day ended with further admissions by the defence.

They do not dispute that Victor de Fonseca, a member of 5 Recce Regiment, had brain cancer and died on April 19, 1986 of pneumonia, according to his official death certificate. Nor is there a dispute over the exhumation of De Fonseca's remains in 1998, or the ensuing post-mortem which failed to establish his cause of death. The defence also does not dispute the pathologist's findings that the level of Thallium in De Fonseca's remains was too low to be blamed for his death. Other statements entered into the record include one from Vusi Dlamini, daughter of ANC activist Enoch Dlamini which states that the official cause of her father's death in Swaziland in 1989 was acute haemorrhagic pancreatitis. On his deathbed, her father told her he had consumed beer at a braai about two weeks earlier.

The court adjourned until Monday 13 November.

## **Trial Report: Thirty-Five**

**This report covers the period Monday November 13 - Thursday November 16, 2000**



Monday November 13, 2000

Two further affidavits were entered, unopposed, into the trial record. An affidavit from Danie Du Toit states that he was a National Serviceman at 7 Medical Battalion working under Dr Brian Davey to develop CBW training courses and training Special Forces medics. Chemical protection courses were only offered to select groups, not the SADF in general. Medics were trained according to a scale of three modules, Stage 1 being basic field medicine and Stage 3 the most advanced, which included CBW protection and decontamination procedures. In September 1987, Du Toit was a member of a 7 Medical Battalion team deployed in Angola during Operation Modular. There were no NBC suits available for troops in the field, who were briefed that in the event of a suspected chemical attack, they were to "dig foxholes, crawl in and cover themselves with their standard-issue ponchos". Du Toit acknowledges that this was by no means the ideal solution, "but it was all we had".

Even the 7 Medical Battalion Specialist Group had only between 10 and 20 NBC suits available. He cannot recall how many wet detection kits they had. He was deployed in Angola for about six weeks, and during this time, there was no report of a chemical attack or suspected attack.

The second affidavit from Sarie Van Wyk (nee Jordaan) states that from May 1, 1988, she served as Basson's secretary in the South African Medical Services head office. All Basson's visitors had to go through Van Wyk, who also kept a diary of his appointments. He was out of town a lot, but had a constant stream of visitors when he was not away, including several who came to see him only after 4.30pm. His appointments were handled on a need-to-know basis, but she can recall that he had many visits from 7 Medical Battalion doctors, General Niel Knobel, Ben Steyn, Dr Etienne Olivier and Professor Hofmeyr, who worked for Basson for a short period.

Senior prosecutor on the fraud charges, Anton Ackerman informed the court that he intends to apply to hear the evidence of Roger Buffham in the UK on Commission. He has sent a letter of application and request for international cooperation to the British authorities, but has not yet finalised the documentation required. He was first seeking a decision in principle from the court, but has been in contact with the British Home Office for a considerable time already and has been assured that there is a positive attitude towards a commission. Unlike the US, however, Judge Willie Hartzenberg would not be the presiding officer in such proceedings, but would have full observer status. The judge stated that in order to grant an application, there would have to be clear indications that the commission was both essential for the pursuit of justice, and that the accused would in no way be prejudiced. Ackerman said Buffham is a key witness in respect of Charges 1 and 3-10. Ackerman said Buffham fears for his personal safety and protection of his rights outside the UK. He has not been moved by repeated assurances that he would be protected in SA, and has even rejected an offer to be placed in a witness protection programme here. His fears extend to "the entire intelligence community and SA security forces" said Ackerman.

Defence counsel, Adv. Jaap Cilliers said his chief objection to a commission in the UK would be that the accused would not be able to attend the hearings. Unlike the USA, which had issued an "informal" warning to Basson that he was persona non grata, the British authorities had served him with formal notice, via their high commissioner in South Africa, that he was banned for life from setting foot on any British - or British-controlled - soil again. The judge agreed that this was an important factor in the accused's case, adding that when he incriminated a witness during cross-examination, it was important that he do so to the witness's face. Adv. Cilliers said Buffham could not be believed when he claimed to fear for his safety in South Africa. The judge hopes to give Ackerman a ruling by the end of the week on whether or not he will entertain a formal application for Buffham's testimony to be heard in the UK.

The only witness of the day was Rein Botha, who was with the National Intelligence Agency from July 1987 until he retired as section chief, counter-intelligence, in September 1999. Botha testified about the trunks of documents found after Basson's arrest and the process



that was undertaken catalogue these documents. An inventory of documents found was handed to the court but may not be published or released to the public since some of the documents may contribute to proliferation. Initially two trunks of documents were found.

Botha told the court that on Monday, February 3, 1997, he requested a meeting with Gen. Knobel to inform him about the documents in the trunks. Knobel and Basson's successor as project officer, Col. Ben Steyn, came to the National Intelligence Agency offices and after some discussion, Steyn was instructed by Knobel to assist the NIA team in analysing and assessing the documents. Other "experts" also had to be called in. At Steyn's suggestion, the first person consulted was Dr Andre Immelman. Daan Goosen and Mike Odendaal were also enlisted to assist. According to Botha, foreign intelligence agencies also helped.

On Saturday, May 10, 1997, Botha took charge of another two trunks that had been stored at the home of Sam Bosch's father. These were handed to the National Intelligence Agency at the office of attorney Ernest Penzhorn.

Botha said that Trunk 1 contained a large number of documents relating to various SADF activities, including original copies of correspondence between Basson and Knobel, correspondence with Chief of Staff Finance and Chief SADF, scientific reports on certain substances, the notorious Sales List, several passports, foreign currency, the cremation certificate for Basson's father, a passport in the name of Annette Versluis with a covering letter and correspondence relating to its issue, a miniature shield which appeared to have been awarded to Basson for meritorious service, personal photographs and a cardboard box containing a number of small vials and miniature bottles of gin and vodka. Botha said most of the SADF documents were intelligence reports.

The names of front company personnel, details of experiments and sub-projects were later found in Trunk 3, including a full list of all Delta G Scientific personnel, while Trunk 2 contained a list of Roodeplaat Research Laboratories personnel and the names of various Armscor and Protechnik personnel. The trunks also contained information and documents dealing with the weaponisation of certain substances. Botha filed two interim reports on the contents of the trunks - one in May 1997 for the surgeon-general, SADF chief, Defence Minister and Minister of Intelligence and Justice.

Asked if he had information about any attempted espionage by means of contact between foreign intelligence agencies and Project Coast front company staff, Botha said there was evidence that in the late 1980s, a group of British intelligence agents visited Roodeplaat Research Laboratories under the cover of being diplomats. According to Botha, the RRL staff were not aware that they were, in fact, spies.

Trunk 4 was filled mainly with books dealing with subjects such as science, weapons of mass destruction, biological cultures and toxins. There were also a number of magazine articles, RRL annual reports, an article on possible use of a poison dart in the assassination of President John F Kennedy and reports on special applicators such as screwdrivers.

Botha says the most recent date on any document in the four trunks was December 2, 1996. This was a fax found in Trunk 1 to Basson from "Bill", warning Basson that he was being investigated by the US authorities and offering him safe harbour at his home outside London. Botha also found some documents dated late 1995, including one for December 1995 which deals with authorisation for expenditure, Project Jota. Adv. Cilliers is on record as having told Sam Bosch during his cross examination that Basson had nothing to do with the trunks since he was in Libya in April 1995 when they were delivered to Bosch's home by Philip Mijburgh, who was supposed to have destroyed the contents after scanning the CBW reports etc onto fibre optic disks. Note: It is not clear why expenditure would have been authorised for Project Coast in 1995 when the Project should have been terminated at the end of 1993.

Botha said he was also handed an additional small box of documents by Knobel at some point. Knobel told Botha the contents had come to him from Military Intelligence, which had, in



turn, obtained them from the Department of Information. The documents were evaluated by NIA, but in the run-up to the mid-98 Truth Commission hearings on CBW, Knobel informed Botha that he needed them in order to prepare his testimony. The box was given back to Knobel, and has never been seen by NIA again.

In cross examination Adv. Cilliers claimed that documents had been slipped into the trunks after they had been found. This he said was the case for a fax from "Bill" offering Basson sanctuary. The fax mentions Gerald Bull and suggests that Basson could meet the same fate as Bull (who was assassinated). Cilliers claimed in court that Bull had helped Basson set up the South African CBW program which was the reason for his assassination.

The fax also suggests that after 14 December 1996 Basson may be "pressurised". Adv. Cilliers drew attention to the fact that Basson was arrested a little more than a month later and suggested that this was a set-up by a foreign intelligence agency. 20

Tuesday November 14, 2000

The first witness called was Corrie Botha, former production manager at Delta G Scientific. Botha was the production supervisor for the manufacture of approximately one ton of methaqualone (under the code name Mosrefcat) at Delta G. The order for the production was placed by managing director Dr. Philip Mijburgh, and in every respect but one, the project was run like any other Delta G project. The only difference was that in the case of Mosrefcat, Botha had no personal contact with the client, and did not even know, while production was in progress, who the client was.

Cross-examination was brief. Botha said he was not informed at the time Mosrefcat was launched that the client was the SA Defence Force, but later "heard in the corridors" that this was the case, and that the substance was to be used in grenades for riot control.

The next witness was Jan Mare, who joined the SADF in 1965 and Military Intelligence two years later, specialising in counter-intelligence. He became involved in Project Coast towards the end of 1987, when he was the senior staff officer, counter-intelligence, at Military Intelligence headquarters. His chief function was liaison with the front companies, Delta G Scientific and Roodeplaat Research Laboratories. He knew both Wynand Swanepoel and Philip Mijburgh reasonably well, and visited their facilities from time to time. He was not fully informed about overseas visitors to the companies or front company contracts, despite the fact that both these aspects had significant security implications.

Mare said that towards the end of 1987 or beginning of 1988 he was called to RRL by Swanepoel and told that Dr Daan Goosen had been guilty of serious security breaches regarding the SADF's role in Project Coast. Goosen was called in and when questioned by Mare, made no attempt to hide or deny what he had said. Mare's recollection is that Goosen said he could not or did not want to continue living a lie.

In 1988 Mare was assigned to be stationed at RRL after Swanepoel reported that animal rights groups were posing a threat to the companies security. Asked if Andre Immelman ever approached him for assistance regarding security aspects of his work, Mare said yes, Immelman told him that Basson had made arrangements and given him direct orders to meet with certain "operators" whom Immelman believed were members of Special Forces. Immelman did not know these people, and referred to them by first names only.

During cross examination Adv. Cilliers put it to the witness that he was not an expert on foreign banking matters and that the only expert on these matters in the SADF was Basson.

Court adjourned until Thursday.

Thursday November 16, 2000



The first witness called may not be identified or photographed in terms of a court order, and is to be known as Mr H. At the end of 1990/beginning of 1991, he was the Senior Staff Officer Project Security at Military Intelligence, tasked with testing the security of various covert projects. At the beginning of 1991, he was ordered by then Chief Director Counter-Intelligence, Dirk Verbeek, to monitor the security of Project Coast, as there had been a communications breakdown between Verbeek and Basson, the project officer. This was the start of the 18-month investigation into Project Coast which has previously been cited by defence counsel Jaap Cilliers as having been thorough and comprehensive, and resulted in failure to uncover any evidence of irregularities.

According to Mr H, however, the probe was neither comprehensive nor complete, and after a year and a half, he was forced to tell Verbeek that the investigators had "no idea" what they were looking at in terms of Coast's finances, and did not understand their esoteric nature. An expert would have to be found to decipher the transactions, Mr H told Verbeek. It was this situation that led to Wally van Heerden of the Auditor-General's office being appointed to investigate Coast's finances and, ultimately, to the Office for Serious Economic Offences launching their seven-year investigation in 1992.

On January 27, 1993, Mr H accompanied Basson on the SA Air Force flight over the south Atlantic ocean, which has been certified (by Mr H) as the destruction of chemical substances held by Project Coast. Basson arranged that Mr H would meet him early on the morning of January 27 at the headquarters of 7 Medical Battalion. On arrival, he found a truck already loaded with the cargo and covered with tarpaulins, which was then driven to Air Force Base Waterkloof. The cargo was off loaded by Basson, Wynand Swanepoel, Philip Mijburgh, the truck driver, air crew, Mr H and the small group of troops who had acted as an armed escort for the truck. As the cargo was being placed on pallets, Mr H made kept a tally of the load - 112 drums in all. He cannot remember if the cargo was physically weighed, or if the air crew estimated the weight. Mr H said that while the drums were on the apron, Basson insisted that samples had to be taken, and did so himself, "apparently at random" from four of the blue plastic drums, after donning rubber gloves. Four plastic pill containers containing the samples were then handed to Mr H, which he locked in his office safe on his return.

He said he observed the testing procedure from a short distance, but could see that Basson took samples only from the top layer of the contents in the four blue drums. The drums were sealed with metal bands and enclosed in plastic bags, which were torn to gain access. There were no labels or markings on any of the drums, or on the sample containers which he was given. Mr H says he asked Basson several times, on the apron and during the flight, what was in the drums, but was given no answer. Later, Basson told him the contents were identified only by use of certain letters of the alphabet. Mr H says between 20 and 30 mortar bombs in cardboard boxes were also in the cargo.

The contents of the blue plastic drums were in plastic bags, which were removed and thrown into the sea. The empty drums were brought back. All the other drums, and the cardboard boxes, were dumped intact. On the way back to Waterkloof, the party on board - including Swanepoel and Mijburgh - enjoyed "a few drinks" and after landing at about 3.30pm, they all made their way to the bar at 7 Medical Battalion's Head Quarters. Mr H said that at the bar Basson, Swanepoel and Mijburgh were despondent and angry that the substances had to be dumped.

The certificate vouching for the destruction of substances was drawn up by Mr H on March 30, 1993. The details were supplied to Mr H by Basson on that date, and Mr H was also given three more plastic pillboxes containing samples for forensic analysis. Unlike the four taken on January 27, these were labeled - B, C and BX. Mr H says he had discussed the taking of samples with Verbeek prior to the flight, and Verbeek had decided that no samples should be taken, as this might "draw attention" to the covert CBW project.

In cross-examination, Cilliers put it to Mr H that in fact, it was not Basson who insisted that samples of the substances be taken for testing, but that this was an intrinsic part of the MI officer's responsibility. Mr H says this was not the impression he had. Cilliers said according



to his client, it was Mr H, and not Basson, who took the samples from the blue plastic drums at Waterkloof - but according to Basson, Mr H refused to take samples from any of the other, more hazardous drums. Mr H denies this, insisting that the only samples were those taken by Basson from the small blue plastic drums. No samples were taken from the larger drums or the small white ones.

The next witness was Brigadier Hein Strauss, head of the SAP Forensic Laboratory until March 1995 and the man who analysed the samples brought to him by Ben Steyn. Although Mr H testified that he had seven pill containers in all, only four appear to have been handed over for testing - those marked B, C and BX and one unmarked container. Strauss's tests identified B as BZ, BX as MDMA (Ecstasy), C as Cocaine and the contents of the unmarked container as methaqualone.

Asked to explain the difference, if any, between Quinezoline and methaqualone, Strauss said he could not do so, as he was not familiar with the term Quinezoline, and the closest substance/formula which he had been able to find, was not the same as methaqualone. Methaqualone was not a substitute name for Quinezoline, and Quinezoline could never be methaqualone.

## **Trial Report: Thirty-Six**

**This report covers the period Friday November 17 - Thursday November 23, 2000**

The court did not sit on Friday November 17, nor on Tuesday November 21, 2000.

### **Monday November 20**

Judge Willie Hartzenberg ruled that the State may not bring an application for the testimony of **Roger Buffham** to be heard on commission in England. In a written judgment, Hartzenberg said that after perusing the statement made by Buffham to the Office of Serious Economic Offences, he was of the opinion that while Buffham's testimony might be useful to the State case, it was not necessary, and could not justify the enormous cost to taxpayers of taking the proceedings to England.

In his statement, Buffham says he met Basson and Jan Lourens at an exhibition of security equipment in London, in which his company, Contemporary Design Systems, was taking part. Afterwards, he sold them an aviation security system and later still, Lourens bought NATO-design bomb disposal suits from him. Albeit with difficulty, he claims to have obtained export permits for all the equipment he supplied and regarded doing business with Lourens and Basson as a "great opportunity" to sell security intelligence products to the South African government. Sales included 15 diviner systems, surveillance decoders (paid for by Lourens in cash) and an eavesdropping system supplied through Bernard Zimmer's Luxembourg company, ABC Import/Export.

Basson said he supplied Basson with copies of design disks for all the products which his company, Contemporary Systems Design (CSD) made. According to the judgment, Buffham was "rather vague" when asked what products these were. Buffham specifically denied selling CAMs, chemical/explosive alarms, a specialised lathe, explosive moulds, an explosive mixer and sophisticated laboratory equipment to Basson. He said he had supplied Basson with a report on research conducted on production of security paper, was introduced to Wilfred Mole by Basson and allowed his bank account to be used to move vast amounts of money from Switzerland to England to Luxembourg, for which he received 1% commission.

Buffham denies that four payments into his bank account of £100 000, £44 935, £44 996 and £65 000 could have been, as Basson claims, in respect of a data base for chemical and biological warfare, and says he provided software to Basson only in respect of explosives management.



The judge noted that while Buffham indicated at the end of his statement that he was prepared to cooperate with the investigators, and would be willing to testify in court on condition that he had "endorsed and notarised" assurances about his personal safety and protection of his rights outside the jurisdiction of the British courts, he had now rejected such assurances and appeared "thoroughly unwilling to testify". It is clear, said the judge, that Buffham has agendas of his own, and there is a strong possibility that he would not be completely frank with the court as a witness.

In his ruling Hartzenberg noted that if the court were to go to England, the State would have to send two advocates, a policeman and probably forensic auditor Hennie Bruwer. The defence team would include two advocates and an attorney. The cost of this exercise, and of obtaining a court record, would be considerable. Furthermore, taking the hearings to the UK would prolong the trial, already under way for 13 months, and the accused would not be able to attend proceedings. Given that Buffham's evidence was not necessary, the prejudice to the accused was a prominent consideration, and no letter of request for a commission in the UK would be issued.

The first witness of the day was **Roland Hunter**, currently chief financial director of the Greater Johannesburg Metropolitan Council, who was a National Serviceman from January 1982 until his arrest on treason charges on December 8, 1983. He began his national service as a guard at the Zanza Building, Pretoria, where he was recruited for Military Intelligence's Directorate Special Tasks. Colonel Cor van Niekerk was his commanding officer, and in time, Hunter was placed in charge of all administration and the payroll of Operation Mila, the SADF's covert support for the Mozambican rebel movement, Renamo.

According to Hunter, between 45 and 60 tons of supplies were airlifted to Mozambique every month. Equipment ranged from pens and stationery to arms and ammunition - either of foreign origin or with South African identification marks removed prior to despatch.

Hunter testified about his knowledge of the investigation into the murder of former Renamo secretary general - Orlando Christina and about his role in passing information to the ANC. He was particularly tasked with providing the ANC with information about the supplies sent to Renamo.

Note: Basson is charged with conspiracy to murder the five men who were suspects in the murder of Orlando Christina. He is also charged with defeating the ends of justice through the creation of two dockets on the murder of Christina, the one docket which would stay with the South African Police indicated that those responsible for the murder could not be identified. The second docket which identified the suspects was handed over the Renamo leadership and resulted in the above deaths. This was originally a charge of defeating the ends of justice but was changed to a charge of assault with intent. Basson is also charged with Conspiracy to murder Roland Hunter. Basson is alleged by the state to have arranged that Daan Goosen would supply him with a snake and snake poison, separately. The plan was to inject Hunter with the toxin and then kill the snake at the scene so that it would appear as if Hunter had been killed by the snake. Before the operation could be carried out, Hunter was arrested by the security police and charged with espionage.

The next witness was **Charles Lotz**, retired warrant-officer with the East Rand Murder & Robbery Squad. He testified about his role in the investigation into the murder of Orlando Christina. Lotz was one of the police officers who was responsible for the interrogation of Renamo members at the farm where Christina was murdered. Lotz said that three days after their arrival at the farm, the investigators and suspects were told to move to what turned out to be a well-equipped military camp nearby, where Bonaventura Bomba was to be interrogated. This followed an unexplained explosion during the night at the first venue. Lotz was informed that Basson (who he had seen at the farm) had been given orders from "higher up" that the entire murder and investigation was to be kept quiet, and that no charges would be brought against the assassins, as it would create enormous embarrassment for the government if the extent of support for Renamo became public knowledge.



Lotz said Basson and an unidentified person drove to the new venue in a closed panel van, in which Lotz was told Bomba was being transported. On arrival at the base, the doors to what appeared to Lotz to be a custom-made vehicle, designed for transporting detainees, were opened and Lotz saw a light skinned man with a large build inside, lying on his back, his feet shackled, his arms stretched out above his head and his wrists tied to something in the vehicle. The man, whom Lotz was told was Bomba, was released by Basson and taken to a room in the domestic quarters behind the farmhouse. He was made to lie on an iron bed, spread-eagled and bound hand and foot.

Lotz said the policemen took turns to interrogate Bomba and even after he had confessed to the murder he was instructed by Basson to continue the interrogation.

Although his name is among the 32 listed at the end of a Top Secret report recommending the elimination of the Cristina assassins, the first time Lotz saw or knew anything about the document was in early 1997, when it was shown to him by former Special Investigation Team members [a police investigating unit formerly attached to the office of the Assistant Attorney General]. He said the South African Police investigation diary, also found in Basson's trunks, along with the original police photo album of the Cristina murder scene, does not even come close to reflecting what actually happened.

In cross examination Adv. Cilliers said that Basson had been at the murder scene to assist in tending to people who had been injured in a faction fight which broke out after the murder of Christina and that he played no role in the interrogation. Lotz disputes this.

The final witness of the day was **Robert Fox**, who previously testified on September 7, 2000. Fox testified that he had assisted in removing Christina's body from the farm after his murder and that he had attended to the relocation of Renamo members. In cross examination Cilliers established that Fox had been involved in the theft of SADF property, Fox admitted his involvement and said he had admitted it to his superior officer at the time and had been punished.

### **Wednesday November 22, 2000**

The first witness was **Cor Van Niekerk** who was warned against self-incrimination on charges 36-39, which concern the murder of Renamo secretary-general Orlando Cristina. He was specifically warned in terms of the charge relating to obstruction of justice.

Van Niekerk joined the Directorate Special Tasks (DST) in 1979. DST fell under the command of the Chief of Staff Intelligence. DST was divided into two sections: the Western Theatre which provided support to Unita in Angola and the Eastern Theatre which provided support to Renamo. Van Niekerk headed the Eastern Theatre. He told the court that DST's annual budget in the mid-80s was around R300-million a year, of which Renamo's share, at its peak, was between R12-million and R14-million. Van Niekerk was involved in support of Renamo from 1980, when it began. The support was four-pronged: military, political, financial and sociological.

Van Niekerk named the bases at which Renamo members were trained and housed as Savong and Zobo City, both near Phalaborwa, St Miele in the Northern Transvaal, Entabeni near Louis Trichardt and the adjoining farms Klapperbos and Vofal, north of Pretoria. Not all the bases were used at the same time. Renamo president Afonso Dlakhama lived at times at Savong and at the other bases.

Van Niekerk has studied the document drawn up by Roland Hunter and confirmed that it is an accurate reflection of how DST operated. (Details of Hunter's testimony can be found in the previous weekly report).

Van Niekerk said he was on leave on April 17, 1983, when Christina was murdered and only visited the farm where the investigation was being conducted once the investigation was



underway. On his first hour-long visit, Van Niekerk encountered Colonel Greyling, head of DST's communications section, as well as members of the East Rand Murder & Robbery Squad, and Basson. He did not know what Basson's role was, or why he was there.

Van Niekerk said it was the strict policy of the SADF that no documents were to be generated regarding the Christina murder since it was too sensitive and had the potential of creating embarrassment for the government, which up to that point had consistently denied any support for Renamo or that any Renamo members were resident in South Africa.

The "elimination report" was seen by Van Niekerk for the first time in 1997, although his is the first name that appears at the end of it. He cannot remember if he first saw it before or after Basson's arrest, or how it came to his notice. However, his understanding of how the investigation was conducted, coincides with the details in the report, although there are "large chunks" of it that were not previously known to him. Van Niekerk said the "elimination" report was clearly drawn up by someone who had intimate knowledge of Operation Mila, but said the compiler did not appear to have been "in touch with reality". Van Niekerk said there was never any doubt that Renamo would murder the Christina suspects, and he can thus see no reason for such recommendations to be set out in writing. (Note: the prosecution argues that Basson is the author of this document).

Van Niekerk told the court that the suspects in the murder of Christina were handed over to Renamo to be court marshaled. He assisted in locating a remote hut in the Caprivi strip, where the trial would take place. Van Niekerk, a doctor (who he thought was Philip Mijburgh) and other SADF members went along and took with them the necessary equipment to dispose of the bodies from an aircraft, were they to be executed. The five suspects were executed and their bodies thrown into the sea.

The prosecution then turned to the conspiracy to murder Roland Hunter. Van Niekerk who was Hunter's commanding officer in 1983, was made aware that "highly sensitive" and vital information was being given to the ANC. Hunter was identified as the culprit, but proof had to be obtained and his ANC contacts identified. Both Van Niekerk personally and the SADF leadership were faced with a dilemma. The evidence gathered against Hunter warranted charges of high treason and espionage, but in order to bring him to trial, information would be released into the public domain which could cause irreparable harm to the government. Van Niekerk was ordered to explore all possible options to find a solution. He approached then Transvaal attorney-general Don Brunette about the chances of holding the trial in camera, but was advised against this, and told that he should rather negotiate with Hunter and try to make a deal with him, whereby he would plead guilty to lesser charges, thus obviating the need for any evidence to be led.

Another possibility explored by Van Niekerk was that Hunter should disappear without trace. To this end, he consulted Basson, at his home in Aries Street, Waterkloof. He did not tell Basson who was involved, but asked if there was a way to achieve this objective. Basson said Mamba venom could be used. Van Niekerk said the conversation with Basson was brief, and as far as he is aware, the Mamba plan was never considered. Hunter agreed to make a deal, pleading guilty to illegal possession of classified documents and receiving a five-year sentence. The documents he had stolen, as well as his own notes about DST operations which he intended using in his defence, were never made public.

Van Niekerk said he could recall three doctors having been involved in the Christina murder investigation, Basson, Philip Mijburgh and Hennie Bester.

During cross examination Adv. Cilliers said it was absurd to suggest that Basson was involved in the decision to hand over the suspects in the Christina murder to Renamo for elimination. He was not in the DST chain of command, and clearly, this decision must have been taken by the Chief of the SADF and Chief of Staff Intelligence. Van Niekerk said it was the Chief of Staff Intelligence who insisted that the court martial should not take place on South African soil, and Basson had no part in making arrangements for the procedure. The request for a 7 Medical Battalion doctor to be present at the court martial, was made by DST.



To thus suggest that Basson was part of a conspiracy to cover-up the fate of the Cristina killers, and in so doing, guilty of obstructing justice, was also absurd, said Cilliers, since the decision to hold a court martial appeared to have been taken long before the document was drawn up on May 8, 1983. For the State to allege that Basson incited DST to murder, or that he, a mere commandant in 7 Medical Battalion, could incite the Chief of Staff Intelligence to commit murder, or to conspire with the SADF Chief to do so, was nonsense.

Basson formally denies any involvement in any recommendations regarding the fate of Cristina's killers, and this would have been "totally outside his field of expertise". He also denies that he compiled the "elimination" document.

The next witness was **Peet Viljoen**, SAP member from 1969 to 1994, when he retired as a brigadier. Viljoen was one of the East Rand Murder and Robbery Squad policemen involved in the Christina murder investigation. During his testimony Viljoen said that he had seen Basson at the location where the investigation had taken place and that Basson had been present during an interrogation. He said that the document referring to the elimination of the suspects was not a typical police document. In cross-examination, Cilliers put it to Viljoen that he was clearly unable to say with certainty what Basson's role or involvement in the Cristina probe was. Viljoen confirmed that the medical staff changed from time to time.

Peet Viljoen was followed on the witness stand by his brother, **Gerrit Viljoen** whose evidence was similar to that of his brother.

### **Thursday November, 23**

The first witness of the day was **Paul Heyns**, who was a national serviceman with the Reconnaissance Unit in 1982/83, then posted to Special Forces counter-intelligence under Colonel Johan Theron.

At some point, Heyns was told by Theron they had to go to 1 Military Hospital to meet Basson and pick up someone. At the hospital, a light-skinned or mulatto man was brought from the ICU and handcuffed to Heyns until they boarded an aircraft at Air Force Base Swartkops. Heyns says the man was difficult to control, pulling at the handcuffs and spitting in his face. He had no bandage, dressing or visible wound on his neck. The captive was fully conscious and appeared to be acting normally. Before leaving the hospital, Basson asked him what day it was, and he answered correctly. The original plan was that Heyns would accompany the prisoner on the flight to Bloemfontein, but the pilot assured him this would not be necessary. Heyns never saw or heard anything about the man again.

He confirmed that he was an unwilling and extremely reluctant witness, and testified only because he had been forced to do so. Cross-examination was brief during which Heyns said he could not remember the date of the incident. He was also asked which language Basson had spoken to the man, Heyns said he thought English had been used. (Note: previous witnesses have testified that the suspects in the Christina murder spoke only Portuguese).

The next witness was to be **Magdele Jaeckel** who would have testified about chemical interrogation. Her evidence was not heard when the Judge sustained an objection from the defence that she would not be able to testify about the specific incident of chemical interrogation for which Basson is charged. The only charge against Basson concerning chemical interrogation is Charge 37, which relates to the Cristina investigation. The indictment names Basson as a member of an exclusive team of medical experts who carried out chemical interrogations, during which no one else was allowed to be present except those involved in the interrogations. Cilliers's objection extended to the testimony of the two witnesses scheduled to follow Jaeckel. After argument by both the defence team and the prosecutor the judge ruled that the State would not be allowed to present testimony on chemical interrogation except as it might relate directly to the Cristina charges.



The prosecutor then called **Dr Phil Meyer**, who qualified as a doctor in 1980 and served in the SADF from 1981 to 1989. From 1981 to 1984 he was at 1 Military Hospital and spent 1985 with 7 Medical Battalion at Speskop, Special Forces Headquarters. During 1983 and 1984, Meyer worked in the casualty department at 1 Military Hospital and is aware that the hospital included a "sensitive" ward to which access was restricted. In the old building, this was Ward 25, while in the new building, it was Ward 15. When he moved from 1 Military Hospital to Special Forces Headquarters, he was involved in the administration and air supply of Unita in Angola. Medical supplies for Unita were packed at Speskop.

The Judge did not allow Meyer to give evidence about a chemical interrogation in which he was involved. Meyer testified that he had spent time in the operational area in Angola from 1986 but that he had never seen or heard of NBC suits being provided to Unita. He said he was in a position that would have made it likely for him to have heard if Unita had such equipment. During cross examination Adv Cilliers said that it was unlikely that Meyer would have seen an NBC suit or heard of one. He said that there was so little difference between normal military uniforms and an NBC suit that Meyer may not have noticed if a soldier had been brought for medical care whilst wearing part of an NBC suit.

## Trial Report: Thirty-Seven

**This report covers the period Friday November 24 - Friday December 8, 2000**

### **Friday November 24, 2000**

No evidence was led, proceedings being confined to the reading into the record of affidavits by three witnesses who will not have to be called to testify, and an affidavit made by Basson. The first statement admitted by the defence was that of "**Mr S**" - who may not be identified or photographed in terms of a court order. Mr S is one of the former Military Intelligence pilots involved in covert operations and specifically the monthly airdrops to Renamo in Mozambique. Mr S flew for the front company, Wonder Air owned by Gert de Klerk.

Mr S said he and the other pilots working for Wonder Air flew in and out of Mozambique routinely, and Renamo president Afonso Dhlakama was a regular passenger. Around the time of Orlando Cristina's murder (April 17, 1983) Mr S "thinks" they went to fetch Dhlakama from Mozambique, and some time afterwards, his colleague, Fred Frayne told him they had to make a flight to the Caprivi. Included in his statement is reference to people he thought could have been the Christina murder suspects having been taken to the Caprivi strip. He said that after having dropped the passengers off in the afternoon he had re-fuelled and that night the bodies of five or six men were loaded into the aircraft. He had to fly out over the sea where the bodies were dumped.

The second affidavit was from pilot, **Fred Frayne**. Frayne's statement broadly reflects the statement made by Mr S.

Policeman **Mike Holmes**, attached to the East Rand Murder & Robbery Squad before joining the Attorney General's Special Investigation Team, is terminally ill, and cannot testify in person. His statement about the Cristina investigation was thus admitted. Holmes stated that he was involved in the Christina investigation and places Basson at the investigation scene.

The affidavit by Basson, made on 5 January 1994 states that he joined the SADF in 1975 and was requested by the Chief SADF and the Surgeon General in 1980 to act as project leader for establishment of an offensive and defensive chemical and biological warfare capacity for the Defence Force "and thus for the RSA". During 1982, Basson said he submitted a research and production programme to the SADF's top structure which recommended:



1. That all three categories of substances (lethal agents, incapacitants and irritants) would have to form part of "our" programme, but that the emphasis would have to be on irritants and incapacitants.
2. That specialised facilities would have to be set up under military control in order to manufacture and test the substances.

Following approval of the research programme, Delta G Scientific and Roodeplaat Research Laboratories were established, funded and controlled by the SA Defence Force. Basson claims that:

"[W]e succeeded in completing the lethal programme fairly quickly, and perfecting the production techniques."

Basson said that time and money could be saved if certain raw materials for the irritant and incapacitant programme could be obtained free of charge. To this end, Basson and the surgeon-general (Nicol Nieuwoudt) spoke to General Zietsman, SAP chief of detectives. At this meeting, approval in principle was granted for the SA Police to be approached in order to supply specific raw materials - confiscated drugs which had no further evidentiary value. These would then be used in various research projects. According to Basson, the aim was to develop the "ideal" incapacitant, a substance which would ensure predictable and consistent behaviour patterns in those exposed to it. Basson said that the full spectrum of substances which influence the brain function - either by stimulation, sedation or dissociation - were examined. The Forensic Science Laboratory of the South African Police made various narcotics, including cannabis, heroin and LSD, available to the project for research.

Basson said a formal meeting was arranged with General (Johan) Coetzee, the police commissioner and General De Witt in order to formalise the acquisition of confiscated drugs and to make a formal request that the Forensic Science Laboratory's facilities, and General Lothar Neethling's abilities, could be used to supplement the programme's technical shortcomings. The possibility of the police making use of the ideal substances during unrest and for crowd control purposes, was also discussed.

After this meeting Basson was ordered to discuss the planned new research facilities with Neethling and to hear his ideas about security and control. Various aspects of the programme were discussed with him. It appeared that the fastest short-term results could be achieved by modifying the two existing and best-known narcotics, namely cannabis and methaqualone. As far as Basson can remember, approximately nine tons of cannabis and a half-million methaqualone tablets were obtained from the Forensic Laboratory. The cannabis was used to extract the active ingredient, THC, so that the molecules could be modified in an attempt to make them more potent, as well as to see what other effects could be achieved by these molecular modifications.

The Mandrax tablets were ground up and the methaqualone extracted for the same purpose. As a result of the success achieved with the methaqualone derivatives, Delta G Scientific was instructed to produce an additional 100 kilograms of the methaqualone derivative. The instructions were the result of approval by the programme. Defence counsel, Adv Jaap Cilliers told the court that the "100 kg" was clearly a typing error, and that this should, in fact, read "1 000 kg". Prosecutor Torie Pretorius accepted the amendment, but placed on record that the State does not necessarily agree that this is a typing error.

In 1987, a formal briefing was "again" given to Minister of Defence, Magnus Malan, Minister of Law and Order, Adriaan Vlok, Commissioner of Police, General (Johan) van der Merwe, head of the National Intelligence Service, Dr (Niel) Barnard and various military officers. During this briefing, details were supplied of the completed basic research programme and the abilities that had been developed. Future liaison procedures and channels for "the different departments" were formulated at this meeting.



The trial adjourned until Thursday, November 30, to allow Basson to attend a medical conference in Cape Town. In order to maintain his status as a specialist, he is required to attend a certain number of congresses annually.

#### **Thursday November 30, 2000**

Two affidavits were admitted as part of the court record. The first is that of **Wouter Jacobus Basson, aka Christo Brits**, co-ordinator of the Civil Cooperation Bureau's Region 6 and cousin of the accused. He shall be referred to as Brits to avoid confusion. Brits joined the CCB in 1985/86, when it was taking over from Operation Barnacle. He was appointed co-ordinator of Region 6 which operated inside South Africa.

Brits said was aware that Slang van Zyl, a fellow Region 6 member, was running a project to assassinate Dullah Omar, and that the original intention was that he be shot with a silenced Makarov pistol. When this could not be done, the project was adapted and a decision taken to capitalise on Omar's heart condition, obtain samples of his medication and exchange them for a toxic substance. Brits himself was not involved in the acquisition of the toxic substance or the handing over thereof to Van Zyl.

Brits said it was "common knowledge" that the CCB had a broad range of methods and equipment at its disposal for use against the enemies of the state. Brits was not specifically aware that toxins were used, or of the infrastructure through which they were supplied. Despite the fact that he and Basson are cousins, Brits had minimal contact with him in a family context and never had direct contact with him while a member of the CCB. If Basson was involved in the supply of poisons or toxic substances to the SADF or specifically the CCB, Brits knows nothing about it.

The next statement was that of **Staal Burger** who joined the South African Police in 1961. He was offered employment by the SADF's Special Forces and along with three of his former detectives, and joined the covert unit which came to be known as the CCB. Burger said it was "generally understood" that the CCB had a wide range of methods at its disposal to achieve its aims. During the "Dullah Omar project", Burger became aware that these included the use of poisons and toxic substances. If a toxin was required, the request would be made to the Regional Co-ordinator, who would discuss it with the Managing Director, Joe Verster, and later with the Chairman, who was the commanding officer, Special Forces.

Regarding the baboon foetus hung in Archbishop Desmond Tutu's garden, Burger said the objective was to intimidate and discredit Tutu. The project was not initiated by his region and he was given only superficial information about it. It was a Region 9 project, specifically run by Anton du Randt (real name Stefaans van der Walt). Burger claimed that shortly before the elections in Namibia, the CCR as a whole was ordered to focus on the former South West Africa. Burger refuses to answer any questions about external or foreign operations. During his entire association with the CCB, Burger never knew or knew of Basson.

The next witness was **Migiel Sven Smuts-Muller** who joined the SADF in 1977 and was attached almost immediately to 31 Battalion which was conducting covert operations in then South West Africa. Smuts-Muller said he knows Basson well, having first encountered him in 1978/79 at Katima Mulilo and in the sickbay at Mpacha. Smuts-Muller was later transferred to Special Forces (he gave no dates) and specifically to D40 (the early name for Operation Barnacle), while it was still operating from a smallholding near Broederstroom. Although he held the rank of major at the time, he describes his task as "SO3 Sandbags and Oddjobs". Through the transmogrification of D40 into Barnacle and the CCB, he did the same job, vaguely described as "logistics". When he left the CCB in 1989, Smuts-Muller opened a removal company and storage facility - Around the World Removals, based in Midrand. He said that a number of ex-CCB agents used his warehouse to store goods, including Bill Grieve. In August 1998, this led to a raid on the warehouse by agents of the National Intelligence Agency and members of the Special Investigation Team, complete with armed escort and search warrants. Some 22 steel trunks which were being stored in Grieve's name were seized and found to contain large quantities of arms, ammunition and documents.



Smuts-Muller also stored a number of items for Basson after issuing him with a quotation dated April 11, 1995. Smuts-Muller himself was present when the goods were loaded at Basson's house in Aries Street, Waterkloof. The items were later removed from storage.

The next witness, a medical doctor, can only be identified as **Mr R** in terms of an order of the court. He was warned against self-incrimination on charges 59, 60 and 63. His mostly monosyllabic testimony began with an admission that he had been a member of a Special Forces covert operations sub-division which he later learned was the CCB. On completion of his national service, Mr R joined the Permanent Force in 1987 and was recruited almost immediately into the CCB, of which he was a member until the end of 1989/beginning of 1990.

Mr R said he joined the CCB because "the bush war had moved into the cities" and he realised that covert measures would be needed to combat the threat. He regarded all orders he received or carried out as a CCB agent as lawful, and was deeply conscious that "we were not playing games...we were engaged in deadly conflict".

He said his tasks included seeing to the medical needs of covert units, providing medical advice and meeting the units operational requirements. He was able to run his own medical practice and did not wear a uniform, but when needed for CCB business, would be paged. He admitted acting as courier for certain "products" needed by CCB operators. The requirements would be given to him by an agent he knew as Theo. No real names were used, though Mr R - whose administrative name was Frans Brink - knew the true identity of some CCB operators. His contacts in this regard were Basson and the person he knew only as Willem (the code name used by RRL scientist Dr Andre Immelman).

Mr R would convey Theo's requests to either Basson or Willem, the products would be given to him and he would pass them on to the CCB. He said that "sometimes" he knew what the products were to be used for, while on other occasions, he "wondered" but assumed that all requests were in keeping with the CCB's objective of maximum disruption of enemies of the state. When he handed products over to Theo, they met somewhere at the side of a road, but his meetings with Basson and Willem took place in Basson's secretary's office.

He has been shown the Sales List, but said he has no independent memory that either Basson or Willem gave him the items on it. He met with Willem five or six times. He confirmed that some "products" were given to him by Basson, and says the only two people who ever gave him items for the CCB, were Basson and Willem.

When Mr R was asked by Theo to provide a baboon foetus, he had no idea what the purpose was to be, but accepted that it would fall within the broad objectives of the CCB. He took the request to either Willem or Basson and some time afterwards, took receipt of a cooler box in Sarie Jordaan's (Basson's secretary) office, though he cannot remember precisely who handed it to him, or who told him it contained the foetus. He gave the container to Theo. The date recorded on the Sales List compiled by Andre Immelman for the provision of the baboon foetus could be accurate, says Mr R. The only other thing he knows about a baboon foetus is what he read later in newspapers about the one hung at Tutu's home.

Mr R was also approached by Theo in connection with heart medication, and given examples (tablets) "to put into the system". Again, Mr R assumed this was "CCB business" and passed the pills on to the "formal structure" via either Basson or Willem. His recollection is that the pills were white and in a plastic container. Mr R told the court he was an extremely unwilling witness against Basson, and had to be forced to make a statement and testify. During cross examination Adv Cilliers put it to the witness that he could have been passing on innocuous medication, such as paracetamol for use by the operators themselves.

**Wednesday December 6, 2000**



Another former 7 Medical Battalion doctor, **Hennie Bester**, now an orthopedic surgeon in George, was called to the stand. Bester qualified as a doctor before doing his national service from 1981 and in his second year of duty, was recruited by Basson to join the Permanent Force and specifically 7 Medical Battalion. Most of the operations on which he provided medical support were in Mozambique, and he was a frequent visitor to Gorongosa, headquarters of Renamo in Mozambique, though he also spent some time providing medical support for the task force of the now defunct Railways Police.

Bester said that in April 1983, he was asked by Basson to accompany him to the Fontana base north of Pretoria (where Christina was killed). Bester was at Fontana for only one day, and says he "really had no idea what was going on", saw nothing untoward and did even less. He was not involved in the interrogation of any suspects, saw no one who appeared catatonic or was receiving medical treatment and neither heard nor saw any sign of faction fights.

In cross-examination, Adv Cilliers had Bester confirm that, as stated in his affidavit, neither he nor Basson participated in the interrogation of anyone at Fontana, and that as far as he could ascertain, all interrogation was conducted by members of the East Rand Murder & Robbery Squad, and specifically Gerrit Viljoen. Bester said it appeared to him that the doctors at the scene were there merely in an advisory capacity. Asked by Cilliers if he had any knowledge of "more primitive peoples" being prone to "trances" or catatonia when subjected to undue stress, Bester said yes, he had encountered such situations both in the Angolan war theatre and at mission hospitals. Patients in this condition appeared to have "lost touch with reality" and he agreed with Cilliers that this phenomenon was prevalent in "less developed peoples". In re-examination Bester said that he had only once before seen a woman who was catatonic.

The next witness was **Colonel Dawie Venter**, a 33-year policeman who joined the Attorney General's Special Investigation Unit in March 1997. Venter has been an investigator on this case since then. Venter told the court how witnesses were approached and under what circumstances they had come to testify.

Venter said a crucial aspect of the investigation was the search for files and documents to support the information provided by witnesses. This, however, proved one of the biggest obstacles for investigators. They were sent from one South African National Defence Force officer to another, and eventually had to enlist the aid of then deputy defence minister Ronnie Kasrils, who assured them of the SANDF's full cooperation. A year later, having made no progress at all, a search warrant was issued for the SANDF archives. The investigators wanted:

- a. Five personnel files of murder accomplices, including Theron, Floyd and Van der Linde,
- b. the personnel file and medical records of Victor de Fonseca,
- c. the medical records of the unidentified Swapo patient who died at 1 Military Hospital in the mid-80s and whose body was burned at Speskop,
- d. medical records of the Swapo detainee admitted to 1 Military Hospital in 1983 after allegedly being poisoned in the Operational Area and transported by air to Waterkloof Air Base, then by ambulance to the hospital,
- e. the service records of former operators Mack Anderson and Eric Mabena (officially declared Absent Without Leave when they vanished without trace),
- f. the personnel file of Major Dave Drew, who died at 1 Military Hospital under "suspicious circumstances",
- g. documents relating to the medical staff stationed at Speskop, specifically who had access to Scoline and Tubarine,
- h. 1 Military Hospital's dispensary records, and
- i. Basson's personnel file. The only document the investigators were ever given, purported to be Basson's file - containing 15 sheets of paper, some of them duplicates of one another, recording his leave applications and details of some inter-unit transfers.



Venter said he was in the team that raided the Midrand warehouse of Around the World Removals in August 1998 and seized a number of steel trunks containing clothing, wigs, documents, weapons and explosives. He confirms that the "success report" on Project Apie - the baboon foetus in Archbishop Desmond Tutu's garden - came from one of those trunks. Venter was also involved in the confiscation of Delta G Scientific's laboratory records.

Venter said the investigation had been anything but normal. The vast majority of witnesses had agreed to cooperate only to the extent they were advised to do so by their own legal representatives, and there had been "very little" spontaneity or opportunity to probe them beyond the written statements produced by their attorneys.

During cross examination Adv Cilliers tried to get Venter to admit that witnesses had been coerced into making their statements. Venter denied this.

Only a few days remain before the court will go into its December recess, the continued testimony of Bernard Zimmer is expected next week.

## **Trial Report: Thirty-Eight**

**This report covers the period 29 January - 2 February 2001**

### **Monday January 29, 2001**

Monday, January 29, Swiss pharmacologist **Dr David Chu** was the 131st witness for the State and the first to take the stand in 2001.

Chu, 60, holds dual Swiss and Canadian citizenship and is of Chinese extraction. He obtained a B Sc at the University of Manitoba in 1964, followed by an M Sc in pharmacology and his doctorate, also in pharmacology, from McGill University in Montreal in 1972. Chu gained practical laboratory experience in zoology in Sweden, in cardiology at the Basel Hospital in Switzerland and Hammersmith Hospital in England before going to work as a clinical research assistant with pharmaceutical giant Hoffman-Laroche in Basel from 1978 to 1981. From 1982 he was self-employed, acting as a consultant to smaller research companies. He met Basson at a social function in Switzerland in late 1988, and in 1990, became managing director of Medchem Forschungs, a company specifically set up by Basson to promote Roodeplaat Research Laboratories in Europe as a pharmaceutical contract research facility.

On March 14, 1989 Chu and Basson signed a contract in Switzerland which gave Chu 16 weeks to find a market for RRL's services. The contract states that if information about the South African government contracts was needed for this purpose, it would be supplied by Basson. Chu was to be paid 150 000 Swiss francs for the task, and report monthly to Basson on progress. He received 75 000 francs immediately, the balance in two installments. Chu was under the impression after his visit to RRL that the company was a commercial enterprise and only found out during consultation with the Prosecutor over the weekend that it was a military front company.

Chu made it clear from the outset that in order to sell RRL's services to the target market, Swiss and German pharmaceutical companies, RRL would have to be Good Laboratory Practice (GLP) certified, and thus would have to comply with standard international laboratory procedures in conducting experiments, keep detailed documentation and comply with international standards regarding instrumentation. This certification never took place.

In 1992, Chu became managing director of another company, Inter-Business Solutions, which was set up to serve smaller businesses in the information technology field, specifically by



supplying them with state-of-the-art computer network systems. Data Image Information Systems was one of IBS's clients and IBS provided the company with sophisticated computer equipment. (Note: Data Image Information Systems was the company responsible for scanning the technical information of Project Coast onto CDs after which the documentation should have been destroyed).

Chu was questioned by the state prosecutor, Adv. Anton Ackerman, about a personal account which he opened in Switzerland in 1989. 300 000 Swiss francs for Medchem Forschung's share capital was deposited into this account on September 30, 1989, while on November 14, another 450 000 Swiss francs - the operating capital - went into the same account. Ackerman put it to Chu that Basson claims the 450 000 Swiss francs was payment for 500g of the Thymus Peptide. Chu denied this, saying no such substance was ever supplied to Basson by or through Medchem Forschungs. A company mentioned by the defence in regard to the Thymus, Med-Alfa, did, in fact, produce a thymus extract - which is not the same as the thymus peptide - but Medchem Forschungs was not involved in any such deal, and Med-Alfa soon went bankrupt. According to Chu, 500g of Thymus Peptide is an extraordinarily huge amount, and major facilities would be needed to process it. To the best of his knowledge, Basson wanted to obtain Thymus Extract from Med-Alfa, and this substance is used for cosmetics. It would not be unusual to buy 500g of the extract.

On September 12, 1991, Chu opened a personal account at Arzibank on Basson's request. Basson said he had friends in England who had a cash-based business which generated large amounts of money, on which they wanted to avoid paying income tax and asked Chu to launder the funds for his friends. A day after the account was opened, Chu received, by courier from England, amounts in cash of £55 000, £23 000 and £109 000, which he paid into the account. On October 8, he transferred £180 000 from the account to that of Charles van Remoortere in Luxembourg, the so-called Barcelona account, on Basson's instructions.

On November 19, the courier brought Chu another £150 000 in cash. Further deposits, in the same manner, were £195 000 and £189 000, both on December 6, 1991. On Basson's orders, Chu transferred out of this account: £468 000 to the Barcelona account on July 15, 1992; £150 000 to the Barcelona account on August 26, 1992; £67 800 on November 23, 1992 to John Purvis, the Jetstar pilot, and on the same day, £100 000 to Colin Chisholm (unknown to Chu).

On June 29, 1992, Chu paid £60 000 from his account to Medchem Forschungs, where it was recorded as partial payment for penicillin (Chu's company had acted as a middleman in a deal to supply the UN with penicillin for Iraq). On April 29, 1992, he withdrew £33 800 in cash and gave it to Basson. On February 2, 1993, £250 000 was transferred by Chu to Blowing Rock Controlling Investments. Chu has no idea what this company was, or why he had to transfer the funds, except that Basson told him to. Reserve Bank documents record this payment as being in relation to the sale of Para-Chloro-Ortho-Cresol technology. No such sale was ever discussed with Chu and the formula as given is unfamiliar to him. The buyer is named on the bank documents as the MAIS Corporation, situated in the same street as Medchem Forschungs' Basel offices. But there is no street number, and Chu says he knows of no such business in that street.

Other payments made by Chu from his account at Arzibank were £6 000 to Roger Buffham, \$8 000 to Bell Flavours, Chicago, Illinois and £55 000 to the Bank of Ireland for Datacor Financial.

On November 20, 1992, Chu opened another personal account, this time at a Zurich bank. Arzibank had informed him they were not comfortable with the large amounts of cash from unknown origin flowing into the account, and were extremely reluctant to accept any more such deposits. Chu discussed this with Basson, who told him there would only be a few more deposits made by his friends, so would Chu mind opening another account. The cash began pouring in almost immediately: £194 000 on December 11, three separate amounts of £177 000, £6 700 and £5 100 on January 7, 1993. [Note: by this time Basson was no longer employed by the SADF, having been forced to take early retirement in December 1992] The



funds were moved out almost as quickly. Chu transferred \$100 000 to Atlantic International on January 12, 1993, £20 000 to Hoffman Laroche care of Medchem Forschungs, Basel - introductory fees for the penicillin deal - £100 000 to Van Remoortere's Barcelona account in Luxembourg.

On January 18 the courier brought Chu two separate money parcels - £14 700 and £164 000. On February 2, Chu paid £250 000 to BRCI, still having no idea who this company was. Ackerman calculated that a total amount of £1,5-m in cash was paid into the two Chu accounts over the 17-month period that Basson's "friends" couriered over their tax-free takings. Chu has no idea where the money came from.

### **Tuesday, January 30, 2001**

Chu testified to knowing D John Truter, financial manager of the official Project Coast, who was introduced to him by Basson as a financial consultant accountant and trustee of Basson's investment funds. Truter told Chu he had considerable funds which he was looking to invest on behalf of other clients, but needed Chu's help. Truter assured Chu that transactions would be absolutely legal and Chu agreed to assist. Shortly afterwards, \$4,6-m was deposited into the account of Chu-PM Trading, set up for this purpose on May 21, 1991. Four separate payments were made to Medchem Consolidated Investments and D J Truter Financial Consultants from this account during 1992. The account was extremely active, with payments being made almost immediately after deposits were paid in. Three cash withdrawals - 231 750 Swiss francs on August 2, 1991, £20 000 on April 4, 1992 and £6 200 on July 23, 1993 - were made by Chu. The withdrawals were at the request of Basson and Chu gave him the money in each instance. Large sums were also transferred to the Luxembourg account which Charles van Remoortere had allowed Basson to use.

Chu said that when he first met Basson towards the end of 1988, the subject of using calf thymus extract to treat AIDS was discussed. Basson told him that he was involved with OPALS, a pan-African organisation dedicated to fighting AIDS and which enjoyed the support of French first lady Danielle Mitterrand, the honorary president of OPALS. The organisation was staffed, according to Basson, by eminent international scientists, including Professor Marc Gentilini, who according to Chu is "the man who identified the cause of AIDS". The document outlining the aims of OPALS claims that Gentilini, of the Pitie-Salpetriere Hospital in Paris was actually the leader of OPALS.

Basson explained that his role in the English-speaking sub-Saharan African states was to organise various projects, including research and development for anti-AIDS drugs, building of clinics and diagnostic centres and the purchase and stockpiling of drugs needed to treat the opportunistic diseases that plague HIV-positive patients. Basson told Chu that the project required funding before it could get off the ground. Chu told Basson that he may have a source of funding and Basson said that he would be able to get the South African government to guarantee a loan. Chu then explained the complex details of the transaction which involved the establishment of a Cayman Island account.

While Ackerman was leading Chu through his evidence on this matter he was interrupted by Judge Willie Hartzenberg, asking which charge in the indictment this document was relevant to. Ackerman told the judge the document was relevant to the entire fraud case against Basson, namely his business transactions for personal gain and failure to disclose his interest in the various companies listed in Charge 20, of which PCM was one. The State had indicated at the start of the trial that it would show Basson had not been acting in the interests of Project Coast in conducting his international business deals, but had assumed the role of wealthy businessman for his own account. Hartzenberg countered saying that General Knobel had testified that playing the role of international businessman was exactly what Basson was supposed to do in order to hide his military links. That was his cover story.

Ackerman explained that the State case was based on the premise that Basson was pursuing his own interests, using SADF funds, and said he wished to rebut the defence that all business deals conducted by Basson were a front for Project Coast. Chu had been told by



Basson that the Contresida Trust had been set up with the sole purpose of administering the loan for the anti-AIDS project, through PCM International Inc, Cayman. Evidence before the court showed that Basson was the sole shareholder of PCM, and the document stated clearly that "we have identified a facility near Johannesburg which would be ideal for our purposes".

Chu had testified that he was told Delta G Scientific was engaged in normal chemical synthesis, but was not able to confirm that the facility referred to in the document was Delta G. However, the State would contend that the OPALS scheme was designed for the sole purpose of acquiring funding for PCM to purchase Delta G.

Examination of the witness continued. Chu said that he was aware that Basson had been arrested in Switzerland in 1993 and said that he had assisted Basson to get legal counsel. Chu was also called on to testify at the inquiry some time after Basson's arrest, where he was questioned by both the Swiss authorities and Basson himself. Chu told the inquiry that he knew Basson as a businessman, and that, prior to his arrest, Basson had discussed with him the possibility of temporary residence in Switzerland, because he spent so much time there. Basson also questioned Chu about whether or not he knew Jurg Jacomet - he did, having met him twice, briefly, towards the end of 1988 as a businessman.

Cross-examination began with Chu confirming that Basson never received any personal financial benefit from Medchem Forschungs. Cilliers said his instructions were that Chu had not been completely frank with the court regarding the circumstances under which he met Basson. In fact, Basson had been told about Chu in advance, and eventually, Chu introduced himself to Basson via Jacomet, who was involved in a variety of sanctions-busting deals. Cilliers went on to say that it was because Chu was known to be involved in sanctions busting in East European countries and in money laundering that Basson had wanted to work with him - Chu denied these allegations.

Cilliers also claimed that Chu was involved in bogus deals from which he derived benefit - such as the sale of penicillin to Iraq. Chu denied that the deal was bogus. Cilliers questioned Chu about his relationship with people such as "Ray", "Simon" and "Dieter" - claiming that they were "East bloc" intelligence agents. Chu said he knew only a Dieter Dreyer who lives in Switzerland and where he runs a car rental agency. He later recalled association with a "Ray" and "Simon" but denied Cilliers claims that they were intelligence agents.

Cilliers also put it to Chu that he was aware of Basson's contact with the Libyan Intelligence community. Chu denied this saying that late in his association with Basson, Basson mentioned that Libya was a potential buyer for Roodeplaat Research Laboratories. Cilliers said that proof that Chu knew of Basson's contact with the Libyan agents was that he had accompanied Basson on a trip to Tunisia where Basson had met the agents. Chu denied knowing who Basson met with - saying he had not been allowed to leave the airport building.

Cilliers questioned Chu about the nature of work done at Medchem Forschungs and Chu admitted that no work was done at the company. He said this was because RRL was never GLP certified. Cilliers drew attention to the payments that Chu had made and implied that it was obvious that the company had merely been established to launder SADF funds.

Cilliers asked Chu about the MAIS corporation saying that it was situated in the same street as Medchem Forschungs. Cilliers said that MAIS was a front company for Russian intelligence agents, and was closely involved in the hiring out of Russian scientists on a contract basis to the Western world. Chu denied knowing anything about the organisation.

Turning to the huge amounts of cash paid into bank accounts on behalf of Basson's friends in England, Chu said he was merely doing a favour for Basson. But, says Cilliers, what else was this but money laundering and abetting tax evasion? And had Chu not collected some parcels of cash himself in England? He had told OSEO investigators that he had done so. Chu says he had forgotten this, but remembered that once he went to the UK and collected £30 000 in cash to pay into his account. But, he pointed out to Cilliers, he had also told the Office for



Serious Economic Offences that he had been extremely uncomfortable about the large amounts of cash he was handling, and at some point, suspected there was "something fishy" about the arrangement. But when he raised his concerns with Basson, he was assured that there would be only one or two more transactions. And how much commission had he been paid for his trouble, Cilliers asked. Between 20 000 and 25 000 Swiss francs, said Chu, who was then forced to acknowledge that the cash transactions were nothing else but money laundering.

The court adjourned until Thursday.

### **Thursday, February 1, 2001**

The cross examination of Chu continued. Cilliers asked Chu about \$4,58-m which was paid by SA Defence Force for cancelled contracts (at Delta G) and round-tripped through Switzerland before being paid to Medchem Consolidated Investments in installments. Chu says it was not until consultation with prosecutor Anton Ackerman in the past week that he became aware of the military origin of the money, having up to now believed the funds emanated from Blackdale or a European pharmaceutical company. Cilliers said he was lying, and that he knew at all stages that the money came from South Africa, was transferred abroad by Volkskas Bank, and was to be paid to Medchem Consolidated Investments for Delta G Scientific. Chu denied this saying that he never was aware of the SADF involvement.

Cilliers dealt with specific payments through Switzerland which Chu had knowledge of, in each case arguing that Chu was aware of the SADF origins of the funds. In each case Chu denied the allegations.

The cross-examination and re-examination of Chu was completed. The next witness will be Christopher Marlow.

## **Trial Report: Thirty-Nine**

**This report covers the period Friday 2 February - Thursday February 8, 2001**

### **Friday, February 2, 2001**

Advocate **Christopher Barend Marlow** took the stand.

Marlow and former Delta G Scientific Managing Director, Dr Philip Mijburgh knew each another, and have been friends, since "before we went to school". Their parents were also lifelong friends. Some time during 1987, while Marlow was employed as a consultant in the pharmaceutical industry, he was contacted by Mijburgh, then managing director of Delta G Scientific. Mijburgh met Marlow for dinner, and invited him to visit Delta G Scientific which he did. Marlow was briefed by Mijburgh about the nature of the company's business, initially indicating that Armscor was involved in Delta G. At a later stage, Marlow learned that it was actually the SA Defence Force which was involved.

Mijburgh asked Marlow to identify potential Delta G clients and investors in the private sector. Marlow was not told at this point of any foreign interest in Delta G through PCM International Inc, Cayman, but at a later stage, he heard this name mentioned. Marlow was paid a one-off fee for his initial work for Delta G. After this, he became more involved with the company as a legal adviser on a monthly retainer of R9 000, soon increased to R10 000 a month and paid by Medchem Consolidated Investments for three-and-a-half years. His task chiefly involved the vetting of contracts and setting up trusts.

One of his first tasks, assigned by Mijburgh, was to study a large volume of documents on chemical and biological warfare, and give Mijburgh an oral opinion on them. Marlow was fed



CBW documents by Mijburgh on a regular basis, as he had to "keep abreast" of developments in this field, and submitted various written reports on his research.

He met Basson after his first visit to Delta G, and was told by Mijburgh that he reported to Basson annually. Marlow was aware from the start that Basson was an SADF officer. Later, he also met Dr Wynand Swanepoel, managing director of Roodeplaat Research Laboratories, through Mijburgh, and became aware of Sefmed Information Services, which had offices in the same building as Medchem Consolidated Investments (MCI), and at some point, he also heard that Inffadel was involved in the project.

Marlow handled all legal work for the MCI group and in fact, set up MCI for Mijburgh and served as the inaugural director and sole shareholder. MCI was set up to hold Mijburgh's interest in Delta G Scientific after privatisation, and Marlow was aware of this in advance. At the same time, Marlow set up the Philip Mijburgh Family Trust, designed to protect the interests of Mijburgh, his wife and any children they might have. The shares in Delta G held by MCI were placed in the trust, administered by Marlow, Mijburgh's father and Petro Theron, auditor of Project Coast.

As a result of the substantial payments made by the SADF for cancellation of contracts when Delta G was privatised, Marlow knew that Mijburgh would receive a large amount of money. They discussed this on several occasions. Basson's role during the pre-privatisation phase was seen by Marlow as that of SADF representative. Basson and Mijburgh consulted with Marlow, in Stellenbosch, about whether or not cancellation clauses built into the contracts would be enforceable at privatisation, and his opinion was that this was indeed so.

In April 1990, the State sold 75% of the shares in Delta G Scientific to MCI, the remaining 25% being bought by employees of the company. At the same time, Marlow vetted - possibly even drew up - the new research contracts between MCI and D John Truter Financial Consultants. When these contracts were cancelled in August 1991, MCI made a nett gain of R15-m. Approximately one year later, RRL went the same route.

Marlow served as a director of RRL for a while, and liaised with Theron extensively during privatisation. Calculations for cancellation of contracts were based, he says, on standard Armscor research contracts. Marlow says he was not involved in the decision to extend the cancellation period to five years from the usual three.

In 1991, Marlow became sole director, 100% shareholder and chief executive officer of Blowing Rock Controlling Investments, but says he held the shares merely as a nominee. At a later stage, BRCI borrowed enormous amounts of money from MCI, the Mijburgh Family Trust, RRL, Contresida Holdings and Van Zyl & Partners.

When RRL was liquidated, R4,4-m was paid to the Wynand Swanepoel Trust and R2,4-m to Contresida Holdings. Swanepoel was the beneficial owner of both, and each entity held 25% of the RRL shares. When Merton House was sold, BRCI paid R2,9-m to RRL as well as covering MCI's debt to RRL. Marlow confirms that auditor Theron was extremely unhappy about the unsecured loans that had been made between these various companies.

Most of 1989, says Marlow, was spent "getting to know" Basson, Swanepoel and others involved in the project. It was Basson who approached Marlow in January 1991 to set up Blowing Rock Controlling Investments. Basson told Marlow the WPW Group wanted to reorganise and rationalise certain of its South African interests, and showed him a handwritten organogram of how the new structure would look. By that stage, Marlow was aware of the WPW Group, and had drawn up contracts for WPW from time to time. The new company to be set up would be the holding company of the Wisdom Group in SA. Marlow and Basson had numerous discussions over the two-year period before BRCI was set up, and he also consulted with Swanepoel.

Marlow testified in some detail about the financial arrangements of BRCI.



Marlow said that by 1990 he was already aware that Swanepoel, Viljoen and Basson were involved in the farming operations. He was also aware of the travel agency, Partners in Travel, and Aeromed, which fell under Swanepoel, Merton House and Wisdom Finance. Marlow drew up a shareholders agreement in 1990 for Wisdom Holdings, which shows Basson as chairman of the Wisdom Group, with Viljoen and PW de Jager as directors.

Marlow confirmed that he had spent "a long time" in Libya. He said he met Yusuf Murgham at Basson's home in 1993/94. He is of the opinion that by the time he met Murgham, Basson was no longer attached to the SADF full time. Murgham, he said, was a former Libyan public servant, but when Marlow met him, he was living in Zimbabwe and running a wholesale business. Murgham had valuable contacts in Libya, where his parents and brother lived in Tripoli, and was extremely helpful in arranging meetings for business opportunities pursued by Basson and Marlow, and in liaising on their behalf with government departments in regard to transport and hospital proposals.

Marlow said the Libyan railway line project never went beyond the concept stage, and named those involved as Basson, himself, Mijburgh, Murgham and Anton Moolman, chief executive officer of Transnet at the time. Marlow made several trips to Libya, co-ordinated by Basson, in connection with the proposal. All his travel expenses were paid by BRCI, according to the company's books, but Marlow claimed he did not know this.

The company Libgro was set up in 1993/94, with Basson, Marlow and Mijburgh as directors, specifically to handle "the Libyan arm of business". Murgham was supposed to be a director, but this never happened. Between 1994 and 1995 Marlow spent 18 months in Libya in connection with Libgro business. He said he was never told by anyone that Murgham had been connected to Project Coast in any way, or that he was actually a senior Libyan intelligence agent. However, he says it is possible that Murgham could have been a member of the intelligence community, as he had many contacts, and during the 1994 elections, acted as liaison between Nelson Mandela, the ANC and Libya.

Marlow is categorical that in all his dealings with Libya, and his stay there, he had absolutely nothing to do with intelligence matters, and that his involvement at all times was "purely business".

### **Monday February 5, 2001**

Marlow continued testifying. He answered questions about the Aries Trust which was established in favour of Basson's wife, Annette and any children they might have.

Marlow also spoke about the purchase of a lodge at the luxury Fancourt golf estate in George. Marlow, who was a director of Fancourt as a result of his former marriage to the daughter of the erstwhile owners of the lodge, was involved in the deal. Marlow was given a handwritten document by Basson outlining the need to set up a new company to buy the lodge, and so Medchem Sports International was born. Directors were to be Marlow, Mijburgh and Basson, but in the end, Basson was not listed. Marlow was vague about where the funding would come from, but said the purchase was never discussed with Webster. The lodge was purchased for a sum of R1,4 million by the company Medchem Sports International from a loan by Medchem Consolidated Investments (the company which from 1989 owned 75% of Delta G Scientific shares) - the loan was ultimately paid back to Blowing Rock Controlling Investments.

Marlow also testified about a deal involving an investment by WPW in the Five Nations Golf and Country Club at Mean for which a company known as General Golf Investments was established. A \$1million investment was made, however the development required on going injections of capital and ultimately was abandoned.

Marlow said that at one stage there was a plan to buy the entire Fancourt resort. This was at the time when it was in serious financial trouble, and on the market for R40-m. Funding was



to be provided by Basson, Philip Mijburgh, Bernard Zimmer and Mike Scholtz, and there was "talk" of using foreign securities. In due course, bonds were acquired - bearing the names of TransAmerican Securities and Banco di Napoli. Marlow said he was aware that these bonds turned out to be forgeries, and that this led to Basson's arrest in Switzerland. [These were the alleged Vatican bearer bonds which Knobel claimed were intercepted by Basson in order to secure the purchase of 500kg of methaqualone from Croatia]. The purchase of Fancourt did not take place.

Marlow admitted that over the 18-month period from 1993-1995 when he was closely involved in various business deals in Libya and made several telephone calls to that country from the Warfield cottage. The were all in connection with potential business opportunities. Marlow says he was paid for his work on the Libyan deals, but cannot remember by whom - however, it was not by any Libyans. Webster was extremely worried about Marlow's calls to Libya, and told him so in no uncertain terms, saying they would simply draw unnecessary attention to the cottage. [This contradicts Webster's testimony - according to his testimony there would have been no reason for him to be worried about the calls made to Libya because he only knew Basson and his associates as businessmen].

Marlow said he twice attended the Monaco Formula 1 Grand Prix. The first time, he was with Basson, Mijburgh and Swanepoel, and they stayed in Nice for about three days. Marlow said it was "pure pleasure" and his costs were covered by BRCI. He says he does not know who paid for his companions. The second Grand Prix he attended alone. He also testified to having stayed at five star hotels whenever he travelled abroad and to have having flown first class on those occasions that the Jetstar was not used.

Marlow confirmed that the proceeds of the R2-m sale of the King Air were paid into a BRCI account at the United Bank, opened after the original account, at Nedbank, became very overdrawn. He also confirmed that he signed a number - definitely more than five - of blank cheques against this account which were given to Basson. Basson was in Tripoli at the time, and Marlow was on his way there. This was in May/June 1995. In court, Marlow identified some of the BRCI cheques: R320 000 in favour of Van der Hoven & Partners, written out by Mijburgh, R40 290 to Basson in his own handwriting on June 15, 1995, R20 000 to Basson in his own handwriting on June 23, 1995, R35 000 to Basson in his own handwriting on May 10, 1995, R27 600 to Profincor on May 8, 1995, in Basson's handwriting. Asked if Basson had free access to BRCI's funds, Marlow said Basson told him there were "a few things" he needed to sort out, hence the need for the blank cheques.

The prosecutor, Adv. Anton Ackerman, questioned Marlow on the details of many deals in which he and the companies in which he had an interest were involved.

Marlow said he remains a director of BRCI and its various subsidiaries. He said the idea of setting up BRCI was that, at some point, the company would at least break even. All the funds pumped into BRCI were used to make loans to other companies, and as far as he can calculate, R10-m was lost. BRCI never transmitted any funds to the WPW Group, and no one has ever asked Marlow on behalf of WPW what happened to the funds. He thought all the loans to BRCI came from WPW. He does, however, not know who the beneficial owner(s) of the WPW Group were, but "can draw certain assumptions" about ownership both inside and outside South Africa. His assumptions do not include the possibility of any East Germans, Russians or Libyans.

Cross-examination began with an attack on Marlow's abuse of the legal profession. Adv. Cilliers claimed, and Marlow admitted that he had lied to the Office for Serious Economic Offences when answering questions about the companies in which he was involved. Marlow said eventually that he had wanted to protect Basson during the OSEO hearings.

Cilliers said that Marlow knew about Basson's contacts with Libya and that Yusuf Murgham is a high-placed Libyan government official. Marlow said that when he met Murgham, he was a perfume trader in Zimbabwe, and he has never known or been informed that Murgham is a senior intelligence agent. He did however admit that Murgham had personal contact with



Colonel Ghaddafi and had been of assistance due to his contacts with Libyan government officials. At this point, Cilliers produced a clipping from the Citizen newspaper and informed the judge that he wanted a ruling from the bench that the photograph he was about to show to the witness, may not be released to the media for publication. Ackerman opposed the application for a gag order and the introduction of the photograph. The photograph was, with the Judge's agreement, shown to Marlow, who said he could identify both people in the picture. Yusuf Murgham was in the background, to the left of President Robert Mugabe. Cilliers' point was that a perfume dealer would not have had reason to be connected to important politicians. Cilliers also said that Murgham was pictured on South African television news on the occasion of Nelson Mandela's visit to Libya to meet the Libyan leader.

### **Tuesday, February 6, 2001**

The cross-examination of Marlow continued with Cilliers drawing on the evidence of financier Samuel Bosch to show that Basson did not derive any personal benefit from Blowing Rock Consolidated Investments. Cilliers also claimed that forensic auditor, Hennie Bruwer's report, which shows that WPW held a 50% share in Medchem Consolidated Investments, is wrong, since WPW never owned half of MCI.

Marlow did agree that the business deals made by BRCI and all its subsidiaries, as well as BRCI's predecessor, the Wisdom Group, were a total fiasco. Indeed, he said "that's putting it mildly". Not only did none of these companies ever show a profit, said Cilliers, but any prospect of success was stillborn - not because of poor management, but simply because the entire structure was put together in such a way that it could never work. Cilliers said financial reward was never the motivation for establishment of this group of businesses.

Cilliers also addressed the matter of Basson's attendance of the Monaco Grand Prix, and said it was "purely coincidental". Basson was in Europe "on business" at the time, and did not make a special trip in order to attend the race. Marlow's expenses, paid by BRCI, had included a normal commercial flight and Basson simply "happened to join the group" on the day of the race, and left Monte Carlo immediately afterwards, so any suggestion that Project Coast had paid for the trip, was ridiculous. Cilliers also said that this had taken place in 1991, after RRL was privatised and noted that Swanepoel took a companion along, and paid their expenses himself.

In re-examination of the witness Ackerman addressed the issue of Marlow's truthfulness and revisited the trip to Monte Carlo. Marlow said that he, Basson, Mijburgh and Swanepoel had used the occasion to look at luxury apartments which were for sale.

Marlow's testimony was completed.

Ackerman then told the judge that he had revised his stance on the newspaper photograph of Yusuf Murgham, and that the State now wanted it filed as a court exhibit, along with an explanation by the defence about why it had been used at all. The judge agreed to the photograph becoming an exhibit and Cilliers said that the photograph was taken "during the year 2000" at the African Euro summit in Cairo - but said that if he were to file the picture as a court exhibit, he would insist that Murgham should be protected from "being exposed in the headlines of South African newspapers". There was no justification he says, for a foreign intelligence agent to be identified in such manner. The Judge said he would have to consider whether he could prevent media access to the photograph. The Judge ruled that he would hear legal argument on the matter on Wednesday morning.

Ackerman then said he had another matter he wished to bring to the court's attention. Some time ago, the defence had agreed that it would make admissions on a considerable number of bank statements/documents. However, despite the fact that Ackerman had now approached the defence 15 times and had served papers on them to do so, he had not been able to secure the promised admissions. The Judge recalled that this matter was brought up last December, and that the defence undertook at the time to meet with the prosecution to



finalise the admissions. Ackerman explained that if the defence does not make the admissions, the prosecution will be obliged to seek an adjournment of one or two months in order to secure the testimony of bank officials.

Ackerman said he also wished to place on record that the prosecution has been and is being threatened by the defence, that the admissions will not be made if the prosecution does or does not do certain things. Cilliers then said that the defence was not prepared to make any admission and that Ackerman should apply for the adjournment.

The judge expressed his regret at this turn of events.

### **Wednesday February 7, 2001**

After a session in chambers with the Judge, defence counsel Jaap Cilliers formally applied to file the photograph showing Yusuf Murcham with Robert Mugabe as a court exhibit, and the Judge rules that the photograph not be released to the media for publication, in order to avoid "any possible international repercussions".

**Patricia Leeson** was called as the next witness. From January 1983 she worked as Willie Basson's personal assistant at Delta G Scientific. Leeson worked at Delta G for a while before being offered the opportunity of moving to the UK by Basson. She moved to the UK under the cover of being employed by Wilfred Mole at RF Telecommunication, but she served as an administrator and personal assistant to Basson. Lesson later returned to South Africa to work for Systems Research and Development, Intramex and Roodeplaat Breeding Enterprises.

In the UK Lesson lived in the Warfield cottage. Leeson said that whenever Basson was in England during her stay there, they would go shopping together for "appliances" - television sets, VCRs and hi-fi equipment, all bought from ordinary appliance stores, then taken back to the cottage, where she would repack the equipment before taking it to Heathrow Airport for shipping. She cannot remember who or where the TVs, VCRs and hi-fi sets were shipped to, but all payments were made with Medchem Consolidated Investments cheques from an account at the Royal Bank of Scotland, on which Basson had signing powers. However, the invoices, to ABC Import/Export, Luxembourg, list the contents of the boxes Leeson shipped as hi-tech electronic equipment. The information for the invoices was given to her by Basson.

Five invoices filed with the court - for a total of £145 661,10 - list the items as: 2500 MHz Sweeper with programmer; crystal-controlled Marmonic marker; 20 MHz pulse generation voltage controlled unit with pulse delay double pulse and synchronised pulse output; 1 to 5 MHz Main Generator with sine square and sawtooth output; waveform stabiliser with time symmetry function; sweep ramp generator; ultrasonic flaw detector model KB3130: ferrous metals only; probes; fracture toughness analyser with JIC and J integral capability; biaxial stress analyser to match fracture toughness analyser and rack adaptor.

Leeson said she knows Roger Buffham, having had to once meet him at Heathrow Airport. On Basson's instructions she had to personally deliver £50 000 in cash to him. For this operation, she used her codename - Vanessa - and wore, as instructed by Basson, a "red dress with a distinctive brooch" so that Buffham would be able to identify her. The money had earlier been withdrawn by Basson from Barclays Bank, Ascot, and he and Leeson had then painstakingly removed all the bank wrappers from the bundles of cash. Basson did not want Buffham to be able to identify which bank the money had been obtained from, or trace the origin of the funds back to Ascot, says Leeson.

On one occasion on returning to the UK from a trip Leeson was questioned for hours by officials at Heathrow airport. Thereafter she immediately returned to South Africa. Leeson spent the next few weeks in South Africa while an official false passport was prepared for her in the name of Alexandra Hattingh. When she went back to England, Basson went with her, both of them flying first-class.



While living at the cottage, Leeson played host to many visitors - Jan and Antoinette Lourens, Zimmer, David Webster, Johnny Koortzen, Bart Hetteema, members of her family and, of course, Basson himself. However, she never accommodated any Russians, East Germans or Libyans.

In cross-examination, Cilliers leaned on Leeson's testimony to lay the foundation of Basson's defence. She confirmed that when she went to work in England, she knew that she was working for the SADF as a civilian, and acting undercover for Basson, who in turn was a representative of the SADF. The Alexandra Hattingh passport was an official false passport, duly issued by the State, thus reinforcing Leeson's role as an undercover SADF representative in the UK. Mole had helped her create her cover. The handing over of £50 000 in cash to Buffham was arranged in a covert manner, complete with designated clothing items to serve as identification. She knew that Basson was involved in clandestine work for the SADF. Her understanding was that all companies of which she had knowledge, were official fronts. She was never to reveal her SADF links.

Cilliers referred to earlier testimony about the sale of Leeson's Pretoria flat to Basson. He said that one of the reasons Leeson wanted to sell the flat was because an electronic bug had been found on the premises. Leeson said the bug was found by a post office technician, and she reported the matter to Mijburgh, her boss at the time at Delta G Scientific. The technician had retained the bug, but Mijburgh said he would handle the matter. However, Leeson felt she had to also inform Basson, as she was involved in the CBW project, and they met for this purpose. At the time, she was dating someone called Tony Targie. [NOTE: this is a phonetic spelling. Leeson did not spell out the name.] He had told Leeson he was divorced, but when Basson made inquiries, he discovered that Targie was, in fact, still married, and that his wife was living in Port Elizabeth. But actually, said Cilliers, he was found to be an MI5 employee. Leeson said she was not told this by Basson.

Regarding the use of her flat after it was sold, Cilliers confirmed that Leeson was "aware at all stages" that it was to be used to house people who came to South Africa - "like David Webster and others who helped Dr Basson with the CBW project".

The court adjourned until Friday to give the advocates time to consult with each other about whether the defence will make admissions about financial documents or whether the state will be forced to call bank managers from abroad to testify to their veracity.

## **Trial Report: Forty**

**This report covers the period Monday, 19 February - Friday, 24 February, 2001**

### **Monday, 19 February 2001**

Supervisory Special Agent **Mary Rook**, a 17-year veteran of the Federal Bureau of Investigation, was called to testify about the integrity of the chain of custody during the investigation into the poisoning of Rev Frank Chikane in 1989.

Before she began testifying, defence counsel Adv. Jaap Cilliers objected to Rook being called at all, on the grounds of relevance and hearsay. Cilliers argued that whatever evidence Rook could give was inadmissible, and would never become relevant. He had given notice earlier to State prosecutor Torie Pretorius that should facts surrounding the Chikane investigation be placed in dispute, the defence reserved the right to argue that Rook's testimony was inadmissible in totality. He did not object to the testimony but placed on record the fact that the defence would make no admissions about the Chikane investigation.

Rook's testimony related to the gathering and testing of material evidence in the Chikane investigation.



The prosecutor then called **Dr Jan D'Oliveira**, former attorney-general of the Transvaal and presently Deputy Director of Public Prosecutions. D'Oliveira was asked to explain the position of the former Special Investigation Unit which fell under his authority. This was the unit which initiated the prosecution against Basson. D'Oliveira explained that the unit, which had as its purpose to pursue prosecutions, was at times at odds with the Truth Commission. This happened when the Special Investigation Unit and the Truth Commission were investigating the same case. D'Oliveira was called to counteract statements made by the defence to the effect that there had been an agreement between the TRC and the SIU to pressurise Basson into appearing before the Commission while at the same time protecting certain state witnesses from testifying at the TRC hearing.

D'Oliveira said that during the TRC's hearings into the former chemical and biological warfare program, he was pressurised to supply information and/or witnesses the SIU had found. He refused to do so, and sent an official objection, in writing, to the TRC's insistence that Basson, Philip Mijburgh and Wynand Swanepoel testify at the 1998 hearings. He pointed out that he was in the process of preparing for a "major" criminal trial against Basson, and that Mijburgh and Swanepoel were, prima facie, suspects in regard to various poisonings. By compelling all or some of these suspects to answer questions at the TRC would be tantamount to forcing them into self-incrimination, and he objected to this.

But, D'Oliveira said, he had no control over the TRC or who they called, and having placed his sentiments on record, he kept his distance from the TRC as far as was possible. Basson's legal representatives were fully aware of his attitude regarding the TRC's insistence that Basson should testify before them. Despite this, Pretorius pointed out, the impression has been created in court that the State acted improperly in preparing the case against Basson.

In cross-examination, Cilliers asked why D'Oliveira had been so opposed to Basson testifying before the TRC. D'Oliveira responded that this could have had extremely negative effects on the pending criminal proceedings. Like any accused, Basson was entitled to his full day in court, and by forcing him to answer possibly self-incriminating questions, as he pointed out in his letter to the TRC, "proof of guilt will be made impossible".

Cilliers put it to D'Oliveira that it was unfair that Office for Serious Economic Offences prosecutor Dawie Fouché, who acted during Basson's second bail application on D'Oliveira's behalf, had met with SADF representatives and advised them to immediately halt all financial aid for Basson's defence in light of the "massive" fraud he allegedly perpetrated. He said Fouché had obtained a written undertaking from the SADF that it would do so, and then issued a warrant, later the same day, for Basson's arrest. D'Oliveira said it was not at all unusual, in the case of a large fraud case against a State department, for the prosecution to advise the department not to pay the legal fees of an accused. Cilliers pointed out that the normal procedure would be that an accused public servant signs an undertaking that if found guilty, the State will be entitled to recoup all defence costs.

D'Oliveira also answered questions about the statements made by witnesses in the trial, saying they were not forced to testify against Basson.

The next witness was **Wentzel Diedericks**, a member of the SIU from February 1995. Diedericks testified about interviews conducted with certain witnesses in the case, reiterating that they had not been forced to testify.

The next witness was **General Ernst Nieuwoudt**, who retired from the SADF after 38 years, all but four of which were spent in Military Intelligence's counter-intelligence section. He was responsible for dealing with cases of espionage in the SADF and in 1983, as a brigadier, was in charge of all counter-intelligence investigations. He testified that in 1983 he was informed by the Directorate Covert Collection that there was a source inside the SADF who was passing highly sensitive operational information to the ANC about flight schedules, air crews, cargo and destinations.



Nieuwoudt was ordered by then Chief of Staff Intelligence, General Pieter van der Westhuizen, to find the leak as a matter of priority. By a process of elimination, Nieuwoudt established that the only possible source of the information was Roland Hunter.

He informed the Chief of Staff Intelligence accordingly, expecting Van der Westhuizen to instruct him to immediately inform the security police. Instead, Van der Westhuizen told him Dr Basson had a plan to solve the problem. Basson then came to Nieuwoudt's office at Military Intelligence headquarters and laid out the plan. Hunter was to be taken to the South West Africa operational area, where he would be killed in a way that would "imitate" a lethal snakebite. Nieuwoudt's next step would have been to report this to Van der Westhuizen, but before he could do so, Van der Westhuizen told him no further action was required on Nieuwoudt's part, and that the head of Hunter's unit would handle the matter through the security police.

During cross examination Cilliers pointed out differences between Nieuwoudt's testimony and earlier testimony from Dr. Daan Goosen regarding the handing over of a snake to Basson, he said that the time frames did not match. Cilliers put it to Nieuwoudt that Basson denies ever telling him there was a plan to kill Hunter and make it look like snakebite.

The final witness of the day was **Mr Z** who may not be identified or photographed. Born in South Africa, his family soon moved to Rhodesia. In 1965, he joined the British South African Police, serving in the Special Branch from 1970 to 1980, during which period he was involved in numerous pseudo operations. In July 1980, he was recruited to the SADF's Special Forces. He was an early member of D40/Barnacle and recruited a number of operators to the covert operation. His specific area of responsibility was external urban operations.

Mr Z testified that Sergeant Rocky van Blerk was a Barnacle "eliminator" who served under his command. Asked if he had ever seen poison, Mr Z said once only - it was a clear, jelly-like substance, and was intended for application to the door handle of a flat and the door handle of a car. He also saw a small syringe in a packet, which he was told was the antidote. Both items were in Van Blerk's possession. Asked from whom Van Blerk had obtained these items, Mr Z was prevented from answering on the grounds of hearsay. Cilliers said he had consulted with Van Blerk, while the State had interviewed another person who was with him when the toxins were handed over. Cilliers claimed that the State did not intend calling this person, since his denial of who handed over the toxins did not suit its case. Legal argument was presented and the Judge ruled that the evidence was inadmissible. No further questions were put to Mr Z.

## **Tuesday, 20 February 2001**

The first witness was **Rear-Admiral Paul Murray**, the SA Defence Force's Chief of Staff Finance until his retirement in November 1993. Murray said that while he held this position the SADF annual budget was about R12 billion. Murray said that among the most sensitive SADF projects were the Civil Cooperation Bureau, the nuclear arms programme and Project Coast, but like several witnesses before him, he did not classify Coast as the most sensitive project ever within the SADF. He confirmed that it was ultra-sensitive, but nevertheless subject to the exact same financial controls and regulations as any other classified project.

Murray was a member of the Co-ordinating Management Committee of Project Coast from 1992, when it was decided to normalise the project. Asked to comment on claims before the court that the CMC operated in terms of its own rules and regulations governing Coast finances, Murray said this was not the case. The CMC's task was to control budget expenditure, but at all times, it was subject to Treasury regulations. Unless the CMC had made special application to the Treasury to function in a different manner, it was not authorised to make autonomous financial decisions. Murray said that classified SADF projects were funded from the Special Defence Account.



Asked to comment on former surgeon-general Gen Niel Knobel's testimony that Project Coast had an objective-driven budget, which amounted to the project officer being told: Here's the funding, bring in the results we have spelled out, at all costs, and the CMC does not wish to know the details of how this is done, Murray said he had no knowledge that the CMC took this approach at any time.

The judge intervened, pointing out that Murray could only speak for the CMC from 1990 and asked if the CMC's approach prior to this date could have been as Gen Knobel explained. Murray said he could not believe this to have been the case. He said that the CMC was never authorised to make its own rules and regulations about financial control of Coast, and that was the case long before he served on the CMC from 1992.

At CMC meetings which he attended, discussions were not confined to budgets only, but included the aims and objectives for which funding was required. Murray's first Project Coast budget was for the 1993/94 financial year, tabled in 1992. No scientists addressed or advised the CMC regarding their specific needs. Murray points out that by the time he became actively involved, the project was winding down, but nevertheless, no outsiders ever attended a CMC meeting he was at. He said Project Coast was not unique in having an objective-driven budget. This principle applied to the entire SADF and, for that matter, all State departments. It was the task of the SADF Chief to set the objectives, and to submit a budget that reflected how much money was needed to achieve them.

Murray said that in mid-1992 he wrote to Knobel seeking details of certain past expenditure because he was extremely unhappy with the way Coast had been run financially. His files contained no contracts for Coast acquisitions, as they ought to have, since all contracts entered into on behalf of the SADF should have been signed by the Chief of Staff Finance. Murray's department was expected to make payments in terms of Coast contracts of which there was no record, he was not happy with this and wanted the contracts from Knobel. The response he received was from Basson, listing outstanding contracts as those in respect of research and protective clothing and equipment. But Murray wanted the actual contracts, or at the very least, copies of them. He went back to the surgeon-general with his request, but never did get copies of any contracts related to Project Coast. Various excuses were offered: the contracts were locked up in a safe "somewhere"; the only person with access to the contracts was abroad; the contracts had been preserved in a safe place and were not readily available. Murray was also unable to get copies of the minutes of CMC meetings prior to 1992.

Asked to comment on Knobel's agreement with Cilliers' statement that chemicals, NBC suits and other equipment acquired for Coast were not reflected in the SADF records because they were "too sensitive", Murray said this was not true. All other ultra-sensitive equipment paid for by the SADF was reflected in the books somewhere. There were special methods of recording such items, and this applied to all other equipment acquired by clandestine means. Obviously, such records were not open to general access, but they did exist, and formed part of the overall SADF records.

Murray says there is no reason, for example, for 45 000 NBC suits not to be on the SADF books, particularly since they were intended for issue to troops. In fact, the more sensitive the equipment, the greater the need for proper and strict control over its use.

Murray was part of the CMC decision to privatise the front companies, Delta G Scientific and Roodeplaat Research Laboratories. He said all the proposals for privatisation were formulated and presented by Ben Raubenheimer and Basson. He also said that Basson had a clear duty to disclose any direct or indirect benefit that would accrue to him personally from the privatisation. He should also have disclosed any joint financial interests he had with Dr Philip Mijburgh.

Murray answered questions pertaining to the Croatian deal, during which Basson claimed to have purchased 500kg of methaqualone through the Croatian Minister of Energy Affairs.



Murray said he had been unhappy with the explanations offered by Basson pertaining to the loss of SADF funds in the deal. He also testified about other specific deals.

In cross examination Murray said that Project Coast documents prior to 1992 were missing and that he had concluded that this was partly due to bad management and partly due to negligence. His problem had been that in mid-92, he could find no records of the procedures followed prior to this, and this was of great concern to him, since one of the characteristics of fraud being perpetrated is that the financial records are incomplete, and in this way, money goes missing.

Cilliers put it to Murray that it was in light of sanctions that Petro Theron was appointed to audit the project. Murray said Theron's appointment went further than that - initially he was appointed by the SADF, then his brief was extended by the Auditor-General, but his appointment was at the personal behest of PW Botha. He agrees that Theron was a seasoned auditor, and that the only misgivings he ever expressed about Coast expenditure concerned the Croatian deal - but says he is not equipped to criticize the way in which Theron went about his audits.

Cilliers said that Basson can not be held accountable for the fact that the Co-ordinating Management Committee did not follow the rules and procedures.

### **Wednesday, 21 February 2001**

Former Special Investigation Unit member **Mike Holmes** - one of the chief investigators against Basson from his arrest on January 29, 1997 until April 2000 - was called. His initial testimony was largely technical, dealing with how he had preserved the containers of substances retrieved from Basson's trunks and sent them to the SAP Forensics Laboratory for tests.

Holmes took over a dossier opened in 1993 by a regular police officer when drums of what was found to be methaqualone were removed from the premises of Delta G Scientific at the time of its sale to Sentrachem. He was also responsible for the investigations into the alleged (?) murder of Dullah Omar, the baboon foetus at Archbishop Desmond Tutu's home and the attempted murder of Rev. Frank Chikane. He testified about his investigation into the NBC suits and his failed attempts to locate the medical records of a man who was said to have bled to death at 1 Military Hospital.

In cross-examination, defence counsel Jaap Cilliers accused Holmes of interviewing a wide range of witnesses without taking formal statements from them, because their testimony did not implicate Basson. Holmes denied the allegation.

Prosecutor, Werner Bouwer then took over, calling **Karel Koen**, security manager at Delta G Scientific from 1982 to 1988.

In 1988, after having resigned from Delta D Scientific Basson called Koen to his office and told him that if he wanted to go into business on his own, Basson could assist him. Basson said he would talk to Dr Philip Mijburgh and arrange that Koen take over the full complement of security guards at Delta G, then contract their services to the company. Basson said Koen could take over the company SRD Electronics. Koen did so and all Delta G security guards were transferred to the payroll of Protection Management Services, Koen's new name for SRD. Tjaart Viljoen of Wisdom Finance assisted Koen with loans to get going, which Koen was never obliged to pay back.

Koen said that on Basson's recommendation he travelled to the UK to see Roger Buffham, and was "extremely impressed" with the Contemporary Systems Design (CSD) factory and laboratory. Koen's air ticket was paid for by Basson. The first meeting with Buffham culminated in CSD supplying Koen with a range of demonstration and exhibition kits for the



equipment he hoped to sell to state organisations in South Africa. Koen however only managed to find buyers for one item supplied by CSD: a cable which served as a transmitter.

PMS was ultimately scaled-down and Koen became involved in marketing the security dogs bred and trained at Roodeplaat Breeding Enterprises. Soon after having become involved he was informed that the company was closing down.

During cross examination Cilliers claimed that throughout Koen's association with Buffham, sanctions were in force, and that while a private company could import certain electronic equipment, the security forces could not. The easiest way for the security forces thus to acquire certain items was therefore to set up an ostensibly private company involved in commercial trade.

Koen said he was not aware of this. He denied having imported any equipment for the SA Defence Force. Cilliers said he had done so, but was not aware of the fact that his company was used as a front for SADF acquisitions, and in fact, it was the SADF which had paid for Koen's trips to the UK.

The court did not sit on Thursday to give the lawyers time to prepare legal argument. Pretorius will argue that witnesses be allowed to testify about chemical interrogation despite their testimony not being about the alleged chemical interrogation of one of the men suspected of being involved in the murder of Orlando Christina.

It is expected that the state will close its case by the end of next week. Adv. Cilliers will then seek an adjournment to prepare argument for his first application for dismissal of charges relating to the possession of drugs. Another adjournment will follow while he prepares argument for dismissal of the human rights violation charges, and finally, he will challenge the fraud charges. The judge will not give interim rulings, but is expected to pass judgement on the dismissal of charges by the end of May. Depending on the outcome of the applications, and whether or not any charges against Basson remain, Cilliers has indicated that Basson may take the stand in June or early July. How long he will testify will depend on what charges remain to be addressed. It is not known whether the defence will call any other witnesses. It is unlikely that judgement in this case will be passed before October this year.

## **Trial Report: Forty-One**

**This report covers the period Friday, 23 February - Thursday, 1 March 2001**

### **Friday 23 February 2001**

Dr. Torie Pretorius, was not required to present legal argument to support his application to present testimony about the use of drugs during interrogation (so-called "chemical interrogation"). The Judge and defence legal team agreed that such evidence could be presented if it related to the broad conspiracy charge which the state has laid against Dr. Basson.

Adv. Ackerman, who is leading the state's case on the fraud charges against Basson, recalled **Christopher Marlow**. Marlow was asked to testify about the date when he transported the Libyan Minister of Foreign Affairs from the airport to Nelson Mandela's Johannesburg home. Marlow said that the visit had to be after 1993 and gave reasons for this. In cross-examination Adv. Cilliers accused Marlow of lying and said that the meeting took place before May 1993.

Junior state prosecutor, Werner Boucher called **Roelf Louw** to testify. Louw, was a member of Army's Directorate Projects. In or about 1986, Louw was instructed to carry out a project study on nuclear, chemical and biological defence for the Army. Based on his findings, the SADF decided he should not pursue the nuclear component, that the biological component



would be the responsibility of SAMS and that the Army would assume responsibility for the chemical component.

Louw was then appointed project officer for **Academic**, the Army's defensive chemical warfare programme. A March 24, 1988 memorandum from Brigadier A Savides, Director Army Projects, gives notice to 23 colonels and brigadiers - including Brigadier W Basson, SAMS Directorate Operations - and senior Armscor managers that a briefing is to be held on March 30 on defensive CBW. According to the memo, the Defence High Command had ordered that acquisition of defensive CBW equipment should proceed in order to make certain operational units battle-ready while Academic gets off the ground.

Significantly, although Basson is among those to attend the briefing, Louw says that at this stage, he had no knowledge of Project Coast, even though he had previously been involved in various CR projects - Newly, Key, Fargo, Keyboard.

As Academic project officer, Louw consulted Basson, using him as a mentor and adviser, and former surgeon-general Niel Knobel was briefed occasionally on the progress of Academic, but this was neither routine nor in depth.

From September 1, 1988 to January 1996, Louw was seconded to Armscor, and managed both Academic and Project Galvanize from there. Galvanize was funded by the Defence Research Council and entailed research into defensive CBW. A letter dated November 5, 1990, from Louw to Savides deals with the impact of the proposed shutting down of Academic, Galvanize and various related projects, and notes that since April 1, no funds had been budgeted for Academic, and that the SADF was considering closure of Galvanize "because no (CBW) threat is envisaged". The SADF was engaged in widespread cutbacks at the time, says Louw, and all existing projects had to be re-motivated. Both the CBW and the conventional threats had downscaled dramatically by this stage, he said.

On May 9, 1990, Louw compiled a progress report () on the state of all CBW-related projects, ranging from research to procurement. Academic was originally an Army-only project, he says, but was later extended to cover the entire SADF, with each of the four arms of the Defence Force - Army, Navy, Air Force, SAMS - contributing R3,5-m to the project's annual budget.

Academic was officially shut down on March 31, 1990.

Louw testified about the weaponization of CR by Swartklip Products and said that as far as he was aware this was the only chemical agent weaponized.

Louw testified about the purchase of NBC suits and CR through an intermediary company, Intramex.

During cross-examination Louw was asked about the use of CR in Angola and he said that he had been reliably informed that 81mm mortars of CR were used during Operation Packer, the withdrawal from Angola.

### **Monday 26 February 2001**

**Dr Phil Meyer**, previously barred (earlier testimony November 23, 2000) from testifying about chemical interrogation, returned to the stand to do so. An SA Defence Force doctor from 1981 to 1989, Meyer was stationed at 1 Military Hospital, Pretoria, from 1981 to 1984, he spent 1985 as a member of 7 Medical Battalion at Special Force headquarters, where his chief task was supervising the packing and despatch of medical supplies to Unita, and was attached to Military Intelligence from 1986 to 1989, most of which he spent in the Namibian operational area and Angola, as chief of Unita medical services.



He said that Ward 15 at 1 Military hospital was an "extremely sensitive" ward, where members of Unita and other foreign patients - "from African states, for example" - were treated from time to time. Part of Meyer's responsibility was to admit these patients, and inform the Commanding Officer of their presence, condition and treatment. Access to Ward 15 was strictly restricted.

Meyer revealed that during 1983 - while in charge of the casualty department at 1 Military Hospital he attended a course presented by Military Intelligence in conventional interrogation techniques. At the end of 1984, Meyer was transferred to 7 Medical Battalion, and Basson became his commanding officer.

Around the end of August/beginning of September 1985, Meyer was ordered to accompany Basson and Dr Deon Erasmus (now practicing medicine in Canada) to Ward 15. He assumes his presence was required due to his training two years earlier in interrogation techniques. At the hospital, the three men went to a small private ward. An unidentified black man, attached to an intravenous drip, was in the bed. Meyer was told that the patient had ANC connections, but that his precise role was unclear and he had to be interrogated to establish who and what he was. He said that either Basson or Erasmus injected a substance into the drip and one or the other then asked the patient various questions, working from a standard military interrogation list.

Meyer was vague about who did what, and said he could not remember what substance was used. He said the patient was fully conscious at first, but became drowsy after administration of the substance. The session lasted about an hour, but according to Meyer did not produce the desired responses, or any information of value. The next day, he returned to the hospital, with Basson and Erasmus, and the procedure was repeated, again for about an hour, and again without producing satisfactory results. None of the doctors wore surgical masks, and their faces were visible to the patient at all times.

At some point during the interrogation sessions, there was a "discussion" to the effect that the patient would "have to be sorted out" afterwards. To prevent him from identifying those involved, or telling anyone about the interrogation procedure, he would have to be "taken out" (murdered), Meyer said. He never saw or heard anything about this patient again.

Meyer said that his religious convictions made it impossible for him to reconcile himself to this type of activity, and about two months later, took his concerns and reservations to General Niel Knobel - not yet surgeon-general, but acting in that capacity in the absence of Nicol Nieuwoudt at the time. He told Gen Knobel he was not prepared to take part in such procedures, and did not want to be associated with them in future. He was then transferred to Chief of Staff Intelligence, and within months Meyer was informed that he was to be sent to the operational area. He said he believed this transfer was the direct result of telling Gen Knobel he was not prepared to go along with chemical interrogation and the consequences thereof.

During cross-examination Adv. Cilliers questioned Meyer's version of events and stated that the use of sodium pentathol was generally accepted in medical science as "a diagnostic aid in identifying/eliminating malingering, particularly in conflict situations." Meyer agreed that such substances were used in the operational area, specifically when time was of the essence in extracting information.

Cilliers said that chemical substances were used, for example, if a patient presented with respiratory distress. Before a doctor performed a tracheotomy or intubation, he would first administer pentathol to establish whether the patient was not, perhaps, a malingerer. Or if a patient thought he had been poisoned, perhaps was even showing some symptoms of poisoning, a doctor would first administer pentathol to establish if the symptoms were not, perhaps, purely psychosomatic, and so that he could question the patient about the circumstances in which the apparent poisoning might have taken place - in other words, to determine the truth of the patient's condition prior to administering treatment. Pentathol was used by doctors as a diagnostic tool, said Cilliers, and the practice was not at all strange to



military doctors working in combat conditions. [Note: this is by no means an accepted medical practice. Pentathol is not a diagnostic tool and can't make the differential diagnosis between malingering and other disease. There is not any body of scientific knowledge to support it's "diagnostic" use.]

Basson formally denies ever being involved in the chemical interrogation of anyone for any but medical diagnostic reasons. He confirms that diagnosis by chemicals was generally used in combat conditions, but says chemicals were never administered to anyone for "improper" purposes.

The next witness was clinical toxicologist **Gerbus Muller** of Stellenbosch University, who originally testified on June 8, 2000. Muller was asked to testify about the alleged poisoning of Rev. Frank Chikane on the basis of having examined his medical records. He was also asked to review the medical records of Enoch Dlamini and Gibson Mondlane, both of whom the State believes were poisoned. Muller said that Rev Chikane's medical records indicate an acute case of organophosphate poisoning.

Cross examination was brief with Cilliers suggesting that Muller was guessing the cause of illness in the cases before him, which Muller denied.

**Dr Johan Koekemoer**, an organic chemist formerly employed at Delta G Scientific, was recalled next, after testifying originally on October 29, 1999. Koekemoer was asked about the delivery dates of the MDMA and said that the first batch was delivered in August 1992 and the last on January 4, 1993. Cilliers challenged these dates during cross examination.

The last witness was pharmacist **Steven Beukes** (original testimony October 29, 1999). During earlier cross-examination, it was put to him that when he encapsulated large quantities of an unknown substance in June 1992, Ecstasy or MDMA did not yet exist in Delta G Scientific's manufacturing repertoire. Since testifying originally, however, Beukes has found his electronic diary, and was able to put exact dates to encapsulation of the unknown substance. The diary covers the period January 1992 to January 1994, and entries were made contemporaneously.

Filled capsules were delivered on February 21 1992 (10 000), February 24 (40 000), March 2 (30 000), March 5 (30 000), March 30 and 31. On April 1, Beukes delivered 100 000 capsules. No further deliveries are recorded until September 14 to 23, 1992.

Beukes says throughout the time he rented space at Delta G Scientific, no other substance was encapsulated. The only other capsules he handled, were 540 000 already filled with ampicillin, which he simply had to repackage in larger containers. This was in July 1992.

## **Tuesday 27 February 2001**

Prosecutor Dr Torie Pretorius informed Judge Willie Hartzenberg that he wished to lay the basis for an argument on why a 166-page transcript of the National Intelligence Agency's interview with Basson should be admitted as evidence. The defence team previously admitted that Basson was not under any duress during the interview, and agreed to it being tape-recorded.

Pretorius explained that the transcript contains "approximately 15" confessions by Basson which relate directly to some of the charges against him. The State wished these confessions to be placed on record, but given the accepted court rules governing admissibility of taped evidence, would first have to show that the transcripts were an accurate reflection of the interview, and eliminate any challenge by the defence that the tapes might have been tampered with.

To that end the prosecutor called witnesses from the National Intelligence Agency who were present during the interview, and the person who transcribed the tapes. Their testimony



concluded that while the tapes were not a verbatim record of the interview, the salient points were correctly reflected in the transcript. Adv. Cilliers challenged the witnesses' memories and called the veracity of the transcript into question. The witnesses who testified were Kobus Engelbrecht, Michael Kennedy, Thea du Plooy and Johan Alberts.

### **Wednesday 28 February 2001**

State prosecutor Dr Torie Pretorius's bid for admission of the transcript of the National Intelligence Agency's three-day "debriefing" of Basson on January 17, 18 and 19, 1994, evoked harsh criticism from Judge Willie Hartzenberg.

It was clear from the evidence led on Tuesday, said the judge, that the transcript was nowhere near a 100% record of the lengthy debriefing. At best, it was a summary of the taped interviews, and if the testimony of Johan Alberts was to be believed, intended primarily for his personal consumption.

Defence counsel Jaap Cilliers stated that he was opposed to the use of the transcript and argued that he had been unable to find a legal precedent for admission of a transcript when the original tapes were not available for verification, and there was good reason for courts not allowing such evidence: the omission or insertion of a single word could change the entire complexion of what purported to be a true record of a taped conversation. Cilliers also said that he believed that Kennedy had not been truthful in his testimony.

At 3pm, in a brief but decisive ruling, Hartzenberg said the document could not be admitted as evidence, nor used by the State as a reference point while leading testimony. He said that since Kennedy claims to have such a reliable memory of the debriefing, there should be no need for him to refer to the document when testifying.

### **Thursday 1 March 2001**

At 11.20am the State closed the evidentiary stage of its case against Basson.

The penultimate witness was **Magdele Jackel**, who in mid-1985, was appointed Senior Staff Officer Interrogation at Military Intelligence headquarters, where her immediate superior was Colonel Dries van Tonder. Jackel's task was twofold: interrogation of detainees/prisoners of war and training of SADF members in the art of interrogation.

Most of her experience was gained through interrogation of Swapo prisoners of war in Ovamboland, where she had regular contact, for example, with intelligence officer Dave Drew at both Ondangwa and Fort Rev. She confirms earlier testimony by Johan Theron about the interrogation room at Fort Rev being equipped with a one-way mirror.

As an instructor, she trained one group of doctors and operational medics from the Reconnaissance Unit and Special Forces in interrogation techniques. Among the students on this course was Dr Phil Meyer. [Testimony Monday February 26 on the use of chemical interrogation] Jackel knows Basson, having first met him when he delivered a lecture on one of her training courses.

Only once during her career was Jackel involved in the interrogation, in South Africa, of an ANC member. This was in 1987, by which time she was "aware" that anesthetics could be administered to detainees during interrogation sessions. The ANC man was believed to be a defector, but although Jackel and a colleague were satisfied, after interrogating him, that his change of heart was genuine, there was still suspicion in some quarters that he was masquerading as a defector in order to infiltrate the SADF as a spy.

Jackel said she took her dilemma to Basson, a brigadier at the time. She saw him at the SAMS training college in Voortrekkerhoogte, and asked if he could help her determine once and for all whether the man was a genuine defector or not, by administering an anaesthetic



during interrogation. Basson told her this could be done - but that Jackel should realize and be aware that once the procedure had been applied, the man "would have to say goodbye" (groet). There was no question in Jackel's mind that what he meant, was that the man would have to be killed.

In cross examination Adv. Cilliers expressed astonishment that she had never seen fit to consult the "SADF expert" when interrogating people. Had she done so, she would have known, as Nieuwoudt testified, that there was "no such thing" as effective chemical interrogation, and this testimony confirmed Cilliers' instructions from Basson. Jackel insisted that chemical interrogation did exist and was used, and that she was aware of this even while working in Ovamboland.

Adv. Cilliers said that Basson has no memory of any discussion with Jackel on chemical interrogation, says Cilliers, but if she had ever asked him about it, he would have told her "there is no such thing".

The last witness called by the State was Michael Kennedy, making his third appearance in the stand.

He was first asked if Basson had ever approached NIA about alleged threats to his life. Kennedy said that in December 1996 Basson had done so and as a result, a surveillance team was assigned to watch Basson and members of his family for their own safety.

In August 1983, as deputy counter-espionage section chief, Kennedy was a member of the Counter-Intelligence Co-ordinating Committee, on which senior officers from Military Intelligence and the SA Police served. The committee was informed that what was believed to be a deep cover ANC spy had infiltrated the Zanza Building, where all cross-border SADF operations were planned. The name of the suspect was not known, and an intensive joint investigation was launched to identify the spy. It took several months before the spy was identified as Roland Hunter.

During the 1994 debriefing of Basson, when the name "Hunter" came up, alarm bells went off in Kennedy's head, both because he had been involved in the earlier investigation, and because the method of proposed elimination described (by Basson) was familiar to Kennedy. During the early 1980s, he had been involved in an investigation into the death of another SADF member, Garth Bailey, whom Kennedy suspected had been killed with snake venom, though he was never able to prove this.

Kennedy said Basson told NIA that he had been required/instructed to "be involved in" the elimination of Hunter, and that the plan was for Hunter to be taken to the Caprivi and killed with Mamba venom in such a way that it would look like he had died from snakebite.

Another matter which Kennedy remembers being discussed during the debriefing, is the dumping of chemicals in the sea. Kennedy had prior information that Basson had been involved in the dumping of chemicals in the Atlantic Ocean, from an aircraft operating out of Air Force Base Ysterplaat. During the debriefing, Basson told NIA the aircraft had actually taken off from Air Force Base Waterkloof, and that the chemicals were dumped in the Indian Ocean.

A matter of particular importance to Kennedy was the question of human experimentation, as he was seeking information about the CBW programme and alleged abuses. Basson told NIA that he and two or three other people had been the subject of human experimentation during Project Coast.

Kennedy said that several times during the interviews the NIA agents asked Basson if he had not realised that he had been involved in murder. His response was the same throughout: "They" were all military targets, and therefore, "it was not murder".



In cross-examination, Cilliers again accused Kennedy of being dishonest. While Kennedy had used the words "required/instructed" regarding the proposed elimination of Hunter, Cilliers said it was surely possible that the actual words used by Basson could have been that he "had knowledge of" such a proposal. Basson denies ever having received any instructions to eliminate anyone. He also denies ever telling Kennedy otherwise.

Human experimentation had taken place as part of Project Coast, said Cilliers. The effects of the new generation teargas, CR, had to be tested, and members of the police task force were often used for this purpose, along with members of 7 Medical Battalion and Basson himself. There was thus nothing sinister about Basson mentioning human experimentation during the debriefing.

Proceedings ended with Cilliers making admissions in respect of more bank accounts - in South Africa, for companies such as Blowing Rock Consolidated Investments, Wisdom Erf 129 "etc", and the Blackdale account in Luxembourg. The defence also admits that NBC suits manufactured in terms of the SADF contract carried consecutive personal identification numbers, along with the year of manufacture - for example, the last suit off the production line on December 31, 1987, might have been numbered 766/87, with the first one off the line on January 1, 1988, being numbered 767/88. An admission was also made that one Smith, a storeman at Delta G Scientific from 1985 to 1993, had checked the company's records, but found no entries for Product M or Quinazoline, but that it was agreed by all parties in court that there were deficiencies in Delta G's record-keeping.

The defence also admitted that the shareholdings of companies as reflected in forensic auditor Hennie Bruwer's report are correct according to the share registers and company records, but this does not mean the defence admits that the documents reflect the true position.

The defence also admitted that, had he been called to testify, former Office for Serious Economic Offences director Jan Swanepoel would have said a controlled and methodical system was applied when the contents of Basson's trunks were documented. The defence disputed this, however, in light of Etienne Lamprechts having conceded that the situation was actually "chaotic" when the documents were unpacked.

After handing in a 78-page list of all exhibits filed with the court, senior prosecutor Anton Ackerman said despite the fact that he had thought "this day would never come", the State rested its case.

By agreement, the court adjourned until Wednesday, March 14, when Cilliers will present the first of a series of legal arguments for dismissal of charges against Basson. The first argument will cover only the drug charges - 25, 26, 27, 28, 29 and 30.

## **Trial Report: Forty-Two**

**This report covers the period Friday, 2 March - Friday, 30 March 2001**

The court was not in session between 2 and 12 March, proceedings resumed on 14 March 2001. Argument was heard from both the defence and the prosecutors in regard to the dropping of charges against Basson. The nature of these reports precludes full reporting of all aspects of the argument and must be regarded as a summary.

### **Wednesday March 14, 2001**

The defence argument for dismissal of the drug charges was presented by Adv Tokkie van Zyl, who told the court that the State had only the word of Grant Wentzel that Basson had supplied him with the 3 156 capsules of Ecstasy seized during the three sting operations in January 1997.



Adv Van Zyl argued that Wentzel had made this accusation for the sole purpose of saving himself from prosecution after his arrest, realizing that he was in "deep trouble" for selling Ecstasy to police reservist Fred Scherf. Wentzel had implicated Basson because he hoped that by doing so, he would himself escape prosecution, and it was only after he had agreed to cooperate with the police that Wentzel named Basson as his supplier.

There was no basis, Adv Van Zyl claimed, on which the court could find that Basson was, indeed, Wentzel's supplier, or that Basson had knowingly given Wentzel Ecstasy capsules during sting operation. The transcript of the conversation between Basson and Wentzel at this meeting showed that the words "drugs", "Ecstasy" and "capsules" were never mentioned, while there was mention of Denel, supporting Basson's claim that he thought Wentzel was talking about an arms deal. It was a very strange drug deal, Van Zyl argued, in which "everything but drugs" was discussed by the two men.

Adv Van Zyl said that the money that Wentzel had given Basson was payment in respect of a loan which Basson had given him. He argued that Basson never gave Wentzel the drugs as alleged by the State.

But, said the Judge, the cold fact was that on the morning of January 29, Wentzel had received more than 1 000 Ecstasy capsules from Basson during the police operation, and Basson had been given R60 000 by Wentzel, so the accused himself would have to explain to the court what had happened at Magnolia Dell.

Van Zyl said the Judge could not see this operation in isolation, but had to view it against the bigger picture, and should bear in mind the various statements made on behalf of the accused by his defence team. He should also bear in mind that Basson, according to police evidence, was "visibly relieved" to find that the people pointing firearms at him in Magnolia Dell were South African Narcotics Bureau (SANAB) members, and that although Basson's house was searched after his arrest, Wentzel's home was never searched after his arrest in Rustenburg.

Regarding the forensic evidence that the Ecstasy in the capsules seized during the sting operations and that in the capsules found in Dr Johan Koekemoer's office were "most likely" from the same source, even if the court found that the Ecstasy came from Delta G Scientific - which the defence does not admit - there was no direct link between the substance and Basson. Wentzel knew Jerry Brandt, Gert Lourens, Barry Pithey and others who had access to Delta G Scientific.

But, said the judge, the court surely had to consider whether during/prior to the January 1993 destruction of the SADF's drugs, the accused had not perhaps stolen a drum or two of Ecstasy, and capsule shells.

That would be pure speculation, said Van Zyl - there was no evidence before court to support such a scenario - and even if the capsules could be traced back to Delta G Scientific, there was no link to Basson.

There was no evidence before court either, said the judge, of the controls exercised over the Ecstasy after delivery by Koekemoer. He asked whether Gert Lourens, Hennie Jordaan or anyone else could have stolen a quantity of the substance somewhere along the way? There were several people who knew that Ecstasy was being made at Delta G Scientific - was it not possible that someone might have swopped a drum or two for something else prior to the destruction flight? That, too, would be speculation, said Adv Van Zyl.

Adv Van Zyl said that regarding charges 28 and 29, the substances found in the trunks seized at Sam Bosch's home, the court had to ask: Were these items in Basson's possession and, if so, was it illegal for him to have them? There was, in fact, no evidence that the contents of the trunks did belong to Basson - Bosch had testified that the trunks were dropped at his home by Dr Philip Mijburgh, and the court had been informed that Basson had nothing to do



with the packing of the trunks, and was in Libya at the time. Dr Andre Immelman had testified that he packed the trunks and handed them over to Mijburgh, and there was nothing to link Basson to the contents.

Adv Van Zyl pointed out that, should the court find that Basson did know about the drugs in the trunks, it would then have to decide if he, as head of Project Coast, was not perhaps perfectly entitled to be in possession of them, given the testimony that the South African Defence Force had permission from both the Minister of Law & Order and the Police Commissioner to be in possession of illegal substances.

Adv Van Zyl said that the State had failed to prove any crime in regard to charge 30, possession of Mandrax, and, as put to Steven Beukes during cross-examination, the 100 000 tablets he made were not Mandrax at all, merely "lookalikes" to infiltrate the ANC smuggling routes. It was "highly unlikely" that Basson would have kept these tablets for seven years before offering them to Danie Phaal as a way to solve his financial problems, said Adv Van Zyl.

On the balance of probabilities, charges 25 to 30, and all alternatives, should be withdrawn.

#### **Thursday March 22, 2001**

The State was prepared to present its argument in rebuttal of the defence's argument for the dropping of charges but was unable to do so. Presentation of the State's case was delayed because the advocate's representing Basson claimed to have found a discrepancy in the documentation of the contents of the two trunks seized at the home of Sam Bosch shortly after Basson's arrest on January 29, 1997.

It appeared that a document crucial to the State case, namely the Sales List compiled by Dr André Immelman showing the supply of certain toxins to Basson, security policemen Gert, Chris and Manie and Civil Cooperation Bureau medical co-ordinator Frans/Koos, was listed on the National Intelligence Agency's index, but not on that of the Office for Serious Economic Offences.

In order to clarify the position, the State would have to apply to the court to reopen its case and call the relevant witnesses. Unless the situation could be satisfactorily explained, the defence would have the opportunity to claim, as it has already done in respect of certain other documents, that the Sales List was not among the contents of the trunks while they were stored at Bosch's home, and could even suggest that it had been planted in order to frame Basson.

#### **Friday March 23, 2001**

On arrival in court Adv Cilliers said that he would not be pursuing the matter of the Sale's List because the State had provided a satisfactory argument to explain the apparent absence of the Sales List from the OSEO index.

The official explanation for the discrepancy is as follows: The Sales List was found in Trunk B, which contained all the Roodeplaat Research Laboratories documents and files. It bears an OSEO number showing this - but evidently, after being numbered but before being specifically catalogued, someone, probably Mike Kennedy of National Intelligence, removed the document from the trunk to take a closer look at it. He then appears to have placed the document in Trunk A by mistake prior to the trunks being moved to NIA, and their index, thus, shows the document as being in Trunk A.

It is, in fact, included in the OSEO index as well, but not specifically as the Sales List or by number, only as one of the documents in a file. The number of the file is accurately reflected in both indexes.



So the matter was been dismissed as an "administrative error".

**Monday March 26, 2001**

Proceedings began with Judge Willie Hartzenberg informing the court that in order to save costs, the State's response to the defence argument for withdrawal of the drug charges against Basson, will not be taped and transcribed. Written heads of argument are filed with the court, it is therefore not a legal prerequisite that verbal arguments be recorded verbatim. No such cost-saving measure was brought up when the defence presented its argument, which now is on the record.

Dr Torie Pretorius began by pointing out to the court that the legal criteria for dismissal of charges at this stage of a trial, are not the same as those taken into account in arriving at a final verdict. Credibility of witnesses, for example, is not a factor at this stage of proceedings, while all circumstantial evidence must be taken into account, not only that circumstantial evidence which can reasonably be interpreted as excluding all other possibilities.

Regarding charges 25 to 27, he pointed out that Basson was arrested during a police operation, that he handed a black refuse bag later found to contain Ecstasy capsules to Grant Wentzel and received R60 000 cash in return - Basson's share of the Rustenburg Ecstasy deal a few days earlier. These facts alone, Pretorius suggests, are sufficient to prove Basson guilty as charged, but said a wealth of circumstantial evidence supports the State case. He pointed to Basson's behaviour at Magnolia Dell, where he parked 30 minutes before his appointment with Wentzel and, as he is heard to say on the tape, observed the area to make sure it was secure, and he hooted to attract Wentzel's attention when he arrived. He referred to the "golden thread" woven through all the testimony, from that of Johan Koekemoer and Steven Beukes to Gen Niel Knobel, all of which points to Basson's omnipotent role in Project Coast and his access to the Ecstasy, and which illustrates the fragmentation of activities carried out in the project's name, with Basson alone being in possession of the full picture. He also referred to Basson's own testimony, during his first bail hearing, about the documents retrieved from the trunks at Sam Bosch's home, which will be dealt with later. The Judge asked Pretorius whether the bail hearing transcript was evidence before the court, it is.

Pretorius argued that whereas it could possibly be claimed that the original acquisition of drugs under the aegis of Project Coast might have been legal, this was not the case in the latter stages. In 1992, when Ecstasy was manufactured on large scale at Delta G Scientific, it was not yet an illegal substance - but from April 1993, it was listed under the Medicines Control Act.

Pretorius then ran through the chronology of events leading to Basson's arrest.

On being arrested, he said, Wentzel was visibly and deeply shocked and scared. He had been in no state to concoct an elaborate conspiracy implicating not only Basson, but also involving two attorneys in his alleged deception. There was no way Wentzel could have foreseen at the time that attorney-client privilege would be waived during the Basson trial, and that both Aubrey Chester and Bill van Vuuren would testify that he had named Basson to them.

The judge then asked: What if Wentzel had managed to get hold of some Delta G Scientific Ecstasy by some other means?

This was highly unlikely, said Pretorius, given the testimony about how carefully and secretly the deliveries were handled.

Asked by the judge why the police had not searched Wentzel's house after his arrest, Pretorius said obviously, they had believed Wentzel when he told them his supplier was a "bigger fish" from Pretoria. Pretorius said that Basson's advocates had performed an "acrobatic defence" in their bid to persuade the court Wentzel had delivered cases of wine to



Basson on the Monday night before the Magnolia Dell operation. In fact, Wentzel had been released on bail earlier that day, having agreed to cooperate with the police, and from Rustenburg, went straight to the office of his attorney, Bill van Vuuren - and the last thing he was thinking about that afternoon and evening was delivering wine to Basson.

The Judge asked why Basson, if guilty, would have insisted after his arrest that the police check the capsules and bank sachets for fingerprints? Because he is an exceedingly cunning man, said Pretorius, who had successfully duped the superpowers for years in regard to Project Coast. If he knew, for example, that he had worn surgical gloves when packing the Ecstasy, he would also have known he had nothing to fear if fingerprints were taken. Nevertheless, says Pretorius, he believes the capsules and bank sachets were checked, and that no fingerprints were found.

The judge then said his perception, based firstly on the fact that Basson was visibly relieved to learn that the people pointing guns at him were from SANAB and secondly on his insistence that fingerprints be taken, was that "the State has no explanation" for such indications of innocence.

Pretorius said Basson's relief could be ascribed to the fact that at the time, as Mike Kennedy of National Intelligence had testified, he was living in fear of his life, following reported threats that he could be the target of a Mossad death squad. Obviously, SANAB detectives would be infinitely preferable to assassins.

Judge Hartzenberg asked, irrespective of what was in the capsules, if this was part of the chemical warfare project, then no matter what the substance was - Ecstasy, Mandrax, even cocaine - why would Basson have to explain what was being encapsulated? Pretorius said Gen Knobel had testified it was not the task of the project to encapsulate any substance. But asked Judge Hartzenberg, what if the capsules had to be fired during the pyrotechnical tests?

Turning to the suspicious behaviour of Basson at Magnolia Dell, Pretorius said there could have been no reason for his extraordinary caution if the meeting with Wentzel was as innocent as the defence claimed. Well, said Hartzenberg, unless of course the "change of political regime" had made it undesirable for Basson to be seen with Wentzel? Judge Hartzenberg pointed out that from 1990 onwards the attitude towards the project had begun to change, and of course, from 1994, a new government was in power. Someone formerly associated with Wentzel would probably not want to be seen with him post-1994, or seen to be his friend. Perhaps that was why Basson had taken the precaution of first checking out who might be around Magnolia Dell.

Pretorius said that Wentzel was Basson's friend, and business associate, long after the 1994 elections.

Judge Hartzenberg said the picture he had of the wine box discovery, was that whatever was in the black plastic bag, it must have had a form, a specific shape, so as to fit into the "egg box-like" wine carton. And since no decent, well-bred person would poke his nose into another man's parcel, it was entirely possible that Basson had handed over the parcel to Wentzel without ever looking into the bag.

Pretorius explained that the "parcel" was nothing more than a black refuse bag, and suggested that the judge was giving Wentzel far too much credit for an elaborate scheme to implicate Basson.

## **Tuesday March 27, 2001**

Prosecutor Torie Pretorius continued presenting the State opposition to the application for withdrawal of the six drug-related charges against Basson.



To refresh Judge Willie Hartzenberg's memory, he recapped the testimony of Steven Beukes regarding the ampicillin capsules. He also went over the events leading to Basson's arrest in 1997.

Later, turning to charges 28 and 29 - possession of MDMA, methaqualone and cocaine found in the blue steel trunks - Pretorius said all the evidence presented, including that of Gen Niel Knobel, showed incontrovertibly that at all times, Basson was the pivotal figure in Project Coast, and the only person who ever had the full picture of the project.

From 1983, when he was tasked to carry out a feasibility study, the entire CBW project revolved around Basson - he was the only person who had liaison with both the SADF front companies and the Co-ordinating Management Committee, and the only person who dealt directly with everyone involved in the project, from suppliers to scientists. Only Basson had the knowledge and the contacts - and the mandate - to conduct/authorise transactions on behalf of Project Coast.

Pretorius argued for why the court should find that the trunks belonged to Basson and why he should be regarded as responsible for their contents. The Judge appeared not to accept Pretorius argument in this regard.

Addressing charge 30 - trafficking in Mandrax - Pretorius recapped on the testimony of Steven Beukes.

The Judge summarized asking it is was the state's case that the accused had Beukes make 100 000 Mandrax tablets in 1985, then kept them safe until Phaal ran into financial difficulty in 1992 - and offered the exact same quantity to Phaal? Did the State contend that these were one and the same tablets, and that in other words, when Basson had Beukes make the tablets in 1985, it was the intention all along to keep them for better days, and there was no other possible reason for the exercise?

Pretorius said it was not for him to speculate on what, if any, reason Special Forces might have had for manufacturing Mandrax in 1985. The tablets offered to Phaal may or may not have been the same 100 000 made by Beukes - but at the very least, by making the offer to Phaal, Basson is guilty of attempted/inciting drug trafficking.

#### **Thursday March 29, 2001**

Responding to the State's argument against acquittal on charges 25 to 30, advocate Tokkie van Zyl stipulated six points which the State had been unable to explain in claiming that Basson had supplied Grant Wentzel with Ecstasy capsules, as per charges 25, 26 and 27.

- Grant Wentzel had made inquiries - of Gert Lourens and Jerry Brandt - before the end of 1996 already about the availability of Ecstasy.
- Shortly after this, Wentzel had also asked Brandt how and where he might obtain empty capsule shells, claiming one of his friends, a homeopath, needed them. The judge commented that these two points appeared to indicate before the end of 1996, Wentzel was not yet a member of an Ecstasy syndicate.
- The statement made by Sanab officer Willem de Villiers made it clear that as early as January 13, information from Steve Martin was that he was aware of large-scale trade in Ecstasy capsules. Even if the court accepted the explanation that there had probably been no mention of either pills or capsules by the informer, merely of Ecstasy, the date attached to the information by De Villiers indicated clearly that Wentzel



was engaged in trading Ecstasy before he first approached Basson, on his own evidence.

- The telephone call to Wentzel "from my supplier", as recorded in the postscript to police reservist Fred Scherf's statement could not have been made by Basson, as there was no record of such a call in his cell phone records for the date concerned.
- On his own evidence, Wentzel assured Martin that he had a source for Ecstasy before he first approached Basson in this regard. Wentzel must already have had an alternative source, and by January 13, have been involved in Ecstasy trafficking on such a scale that the SANAB members anticipated a major drug bust.
- The tape of the conversation between Wentzel and Basson at Magnolia Dell contained no reference to drugs, Ecstasy or capsules.

The only conclusion that could be arrived at from all the circumstantial evidence presented by the State was that Wentzel had sought and found a source of Ecstasy and capsules, and had manufactured them for sale.

Regarding charges 28 and 29, the court had evidence that two of the four steel trunks stored by Sam Bosch had been packed by Andre Immelman - and no indication of who had packed the other two. No witness had testified which specific trunk the chemicals in vials had been found in, nor did the inventories of the trunks list the vials.

The judge said his impression had been that the chemicals were found in one of the first two trunks, retrieved at Bosch's home.

Indeed, said Adv Van Zyl - but which trunk? Philip Mijburgh had been in charge of transferring the Project Coast data to CD-ROM, and he had also been in charge of Delta G. The Judge said his impression was that the chemicals had probably emanated from Basson's home.

No, said Adv Van Zyl - all Basson was referring to during the bail hearing was the documents taken from his home in 1992/91, at his wife's request. No, said the judge, he referred specifically to the removal of items from his home while he was in Libya - and he had not been in Libya in 1992.

But, said Van Zyl, Basson had made no admissions about either documents or chemicals having been in his possession. He had, in fact, said he was not aware of trunks of documents being stored anywhere, admitting only that documents had been taken from his house by other people in the early 1990s. However, it was agreed by all parties in court that no documents in trunks had been removed from his house in 1992/1993. Basson did not know if the vials containing drugs were removed from his home along with documents, as he was not there at the time, and he knows nothing about trunks taken to Bosch in 1995 by Mijburgh.

Indeed, said Van Zyl, Basson's testimony at the bail hearing clearly showed his total innocence in regard to the drugs in the trunks. Far from supporting the State case on charges 28 and 29, his testimony actually harmed it, as it was abundantly clear that Basson had no idea the trunks contained any vials of chemicals.

As for charge 30, there was no way Basson could be found guilty of possessing Mandrax, since he was not in possession of the Mandrax stipulated in the charge. The State case was that the 100 000 Mandrax tablets - the "lookalikes" - made in 1985 by Beukes, were the same 100 000 pills offered to Danie Phaal for sale at Jeffreys Bay in 1992. But there was no tablet or forensic report to prove this, and in the absence of physical evidence, Basson had to be acquitted. It was ludicrous to suggest that he could be found guilty of attempted/inciting drug



dealing, since without physical proof that he had or had access to Mandrax, the alleged offer to Phaal was meaningless. Since the circumstantial evidence was not consistent with the facts, the court would have to find that Basson was not Wentzel's supplier.

The judge asked how the removal of documents from Basson's home in 1992, as put by the defence, compared with the time frame of the seizure at a UK port of a drum of Ecstasy, and the investigation by Basson into the possibility that the substance had originated from the project.

The two events took place at approximately the same time, says Van Zyl.

In light of the evidence, or lack of it, the court had no choice but to acquit Basson on charges 25 to 30, Van Zyl concluded.

The judge placed on record that he will not give any decisions on acquittal until he has heard the arguments in all three sub-divisions of the case.

Torie Pretorius indicated that he would have certain additional points to make in response to the defence argument at a later stage.

Court adjourned until Wednesday, April 4, when Jaap Cilliers will start arguing for Basson's acquittal on the human rights violation charges - 31 to 63.

## **Trial Report: Forty-Three**

**This report covers the period Saturday, 31 March - Thursday, 5 April 2001**

The court was not in session between March 31 and April 4.

### **Wednesday April 4, 2001**

Basson's legal team began their argument for the dismissal of the human rights related charges.

Adv Jaap Cilliers' argument focussed on the credibility of state witnesses and the contradictions between their testimonies. Adv Cilliers said that the motives of all these witnesses in testifying against and implicating Basson in murder, was self-preservation. In that respect, he said, this case presented a unique situation, since in their efforts to incriminate Basson, the State's key witnesses had contradicted one another repeatedly, and in the end, the court would have to find that none of them was credible.

He argued that State would be left with a situation where it would have to ask the court to accept the testimony of one witness, in regard to a specific incident, but reject that of another. The State may even be obliged to ask the court to accept only selected aspects of one witness's testimony and reject the rest in favour of another witness's account which lent more support to the case.

Cilliers focussed his argument on the testimonies of Johan Theron, Danie Phaal, Kobus Bothma and Trevor Floyd, calling their credibility into question.

The judge observed that prosecutor, Dr Pretorius had made the point, several times, that he was not able to handpick his witnesses, but had to work with the material he had.

Cilliers said that he had taken note of Dr Pretorius's introductory remarks about what factors ought to be taken into account when considering acquittal. But, in his opinion, it is incumbent on the court to take the credibility of witnesses into account at this stage. The only thing which



the court does not have before it at this time is a version of events by the accused from the witness stand. He said it must already be obvious that if the accused were to testify, his version would in not advance the State case. Cilliers said his opinion was that the arguments being presented during this phase of proceedings should be subject to the same criteria as closing arguments.

The judge entered the debate saying that it was essential for the court to consider the ease with which an accused could refute the evidence presented against him. Cilliers answered saying that no reasonable court would convict on the grounds that an accused does not testify and it was thus absurd to suggest that credibility of witnesses was not a factor to be taken into account at the acquittal stage. The judge did not accept Cilliers' argument in this regard.

#### **Thursday April 5, 2001**

Defence advocate Jaap Cilliers continues to argue for Basson's acquittal on all the human rights violation charges (32-63) by challenging the Pretoria High Court's jurisdiction.

Cilliers claimed that the 1989 Namibian amnesty which blankets all members of the security forces, extends to charge 45 (detainee who died in 1 Military Hospital after being fed "jungle juice" in the cells at Ondangwa. Cilliers also challenged Danie Phaal's version of events. Phaal was the only witness to testify about this incident.

Cilliers dealt with the specific charges against Basson, and reiterated that there were inconsistencies in the witnesses testimonies.

On April 6 he will continue to argue for the dismissal of charges, beginning with the charge relating to the alleged poisoning of Rev. Frank Chikane. This will be reflected in the next weekly report.

### **Trial Report: Forty-Four**

#### **This report covers Friday, 6 April 2001**

Adv Jaap Cilliers continued to argue for the dismissal of charges against his client by drawing attention to shortcomings in the State's case.

With regard to the charge of attempted murder of Rev Frank Chikane, Cilliers argued that there were discrepancies between the testimonies of witnesses. Cilliers said there was no evidence before the court linking Basson to the poisoning of Rev Chikane.

Cilliers argued that the charge of intimidation against Basson for the baboon foetus which had been hung in the garden of Archbishop Tutu had also not been proved. He said that there were discrepancies as to whether the foetus had been that of a baboon or an ape and said that there was insufficient evidence to link Basson to the supply of that particular foetus.

On charge 63 – conspiracy to eliminate enemies of the State – Cilliers said that circumstantial evidence had been presented but said the State had failed to prove conclusively that Basson had been part of a conspiracy to kill people. Cilliers said he realised that this was a highly emotive and sensitive matter, given the political dispensation, but the fact was, the "mere" killing of ANC, MK and SWAPO members during the period in question was not illegal in itself. If this was so, he said "the entire SADF" would be guilty. Cilliers said the only testimony of conspiracy was that of Johan Theron which Cilliers said could not be relied on. Cilliers said that Theron had made it clear that Basson had only been told that "surplus" SWAPO prisoners of war in Namibia were to be eliminated. That, said Cilliers, was the only direct evidence of any conspiracy – but it applied only to external or foreign operations.



With regard to the toxic substances manufactured by Roodeplaat Research Laboratories, Cilliers said there was nothing sinister about them. He said they had clearly been part of the programme to protect own forces and VIPs against possible biological attack, and had been entirely defensive in nature. He said it was not in dispute that "offensive" and "defensive" weapons were but two sides of the same coin. The Judge asked why Jan Lourens then made the special applicators.

Cilliers promised he would address this in due course – but he did not. He chose instead to address the testimony, via written reports, of Dr James Davies, that the poison-tipped umbrella, walking stick and screwdrivers had been tested to determine the effect of "possible use against our own people". Cilliers said that while one might speculate that "our own people" could also have used such applicators, the court had to consider the evidence of Davies that the applicators were not intended for offensive use, and were not intended for use inside South Africa.

Cilliers said that even if they were designed for use inside South Africa the mere manufacture of such applicators was not a crime, though the ultimate use of them could be. The fact was, he said, there was no difference between a soldier using a knife to slit an opponent's throat, or using a poison umbrella or screwdriver to dispose of him.

There was no direct evidence linking Basson to the broad conspiracy, said Cilliers, and, sensitive though this was, the court must see all acts carried out by the SADF during the period in question against the background that it was engaged in a total war at the time. Cilliers said this is an emotional matter into which the court should not delve too deeply.

On charge 64 – illegal possession of classified documents – Cilliers said the facts were that Immelman had purchased and packed two blue steel trunks with RRL documents, and that these trunks were removed from the premises by the accused and Mijburgh "some time between 1993 and 1997". Cilliers said that the accused was "under arrest in Libya" when certain documents were removed from his home, without his knowledge. The Judge asked when the accused had been arrested. Cilliers said there were several arrests – but suffice to say that in December 1993 he was arrested in Switzerland, and in 1995, he was arrested in Libya.

Cilliers said that the questions that had not been answered were: What did Mijburgh do with the steel trunks after Data Image had captured the CBW data on CD-Rom? What was the origin of the documents in the trunks? Who had packed them? The only person who had the answers to these questions, was Mijburgh – but the State had chosen not to call him. The State had not proved that the accused knew the trunks were at Bosch's home, let alone what was in them, said Cilliers.

In conclusion, he argued that there was no case for Basson to answer in respect of any of the charges from 32 to 64. He said that given the enormous publicity surrounding the case and the high profile of certain witnesses, the defence was at a loss to understand why the State did not simply concede this fact in respect of certain charges, like that of Chikane's poisoning. According to Cilliers, this was a definite indication that the State had adopted a different approach to this case than to any other.

Prosecutor Torie Pretorius informed the judge that he would need time to prepare a comprehensive response to the argument, and will indicate on April 23 when he will be ready to present his argument.

## **Trial Report: Forty-Five**

**This report covers the period April 23 - May 7, 2001**

The court is currently hearing argument for and against the dropping of charges against Dr Basson. The court is not sitting on a daily basis but convenes to hear argument from the



prosecutors and defence team as and when their arguments have been prepared. Dr Pretorius, prosecutor on the human rights violation and drug-related charges, will present his argument in response to the defence team's request for the dismissal of these charges on Monday May 14. It was agreed that the defence team could present its argument pertaining to the dismissal of two of the fraud charges (charges 23 and 24 relating to the privatization of Delta G Scientific and Roodeplaat Research Laboratories) on May 2 and 3.

### **Tuesday May 2 and 3, 2001**

Defence advocate, Jaap Cilliers told the court that it would have to reject all the evidence of Florida attorney David Webster in order to convict Basson on charges 23 and 24, since the State case relied entirely on the contents of documents retrieved from his files. The defence contends that these documents were deliberately designed to disguise the true nature of transactions in which Webster was involved, and therefore do not reflect what the State wishes them to, namely that at all times, Basson was the beneficial owner of the WPW Group. Cilliers argued that the state's case which relied on demonstrating Basson's interest in the company Medchem Consolidated Investments was flawed. He also said there was no evidence to suggest that the process of privatisation had been irregular and that the state had failed to prove a case of fraud on the charges in question.

In his response, state advocate, Anton Ackermann said that the state did not intend to show that the process of privatisation was irregular, rather that Basson had failed to disclose that he would personally benefit from the privatisation of the companies.=20

Ackermann's argument took the best part of May 2 and 3 with Judge Hartzenberg interjecting with incisive questions throughout.=20 His argument began with a summary of the facts:=20

Project Coast was financed by the state which paid more than R400-m between 1982 to 1993.

The accused was de facto in charge of the project, and the sole individual who:

- a. identified the products, equipment, services and technology needed, as well as how all of these were utilised by the project.=20
- b. identified the suppliers of these products and services;=20
- c. entered into contracts with the suppliers;=20
- d. drew up budgets and presented them to the Co-ordinating Management Committee for approval;=20
- e. monitored delivery both by suppliers and the project. The state's case is that from the beginning of 1987, a "drastic" change took place in respect of the financial management of the project's front companies. Up to January 1987, the project management of Coast was directly involved in the front companies. At that point, however, this practice ceased and only indirect control, through consultation with the managing directors of the respective companies, was exercised - by the accused.

Ackermann said that simultaneously, funding of the front companies underwent a dramatic change. Prior to 1987, all financing was provided by the SADF with no consideration for profit or loss. From this date onwards, however, it was envisaged that the front companies would generate their own income - entering into contracts with the SADF, which would place huge amounts of money in the front company coffers.

Due to the unprecedented authority which the accused had as project officer, it is the State's contention that he saw an opportunity to enrich himself. In order to do so Basson had to acquire a commercial interest in the companies which would act as SADF contractors. Ackermann said this interest had to be acquired in clandestine fashion, and remain hidden. He said that in order for the plan to succeed, the structure for Basson's personal empire had to be in place by the beginning of 1987. He said the accused was fully aware that financial control of state funds involved in the procurement process was fraught with problems, due to the extreme sensitivity and secrecy of the project, and that the financial controllers relied



almost entirely on his bona fides as project officer. In October 1986, Webster facilitated registration, in the Cayman Islands, of WPW Investments Inc, Medchem Inc and PCM International Inc. The state claims that Basson was the 100% shareholder of all three companies, with Webster acting as his nominee.

As far as Basson benefiting financially from the privatisation of the front companies was concerned, Ackermann said the indictment made it clear that the only factor to be considered by the court at this stage of proceedings was: Is there a prima facie case for the accused to answer? His failure to disclose his personal interests, as set out in the indictment, made it clear, said Ackermann, that there was such a case. Evidence led by the State had shown, at the very least, that this non-disclosure could have led to Basson benefitting financially, and that if his personal interests had been disclosed at the time, this could have had an influence on the decisions made during the privatisation process.

As it was, said Ackermann, the State had proved beyond reasonable doubt that Basson had acquired a commercial interest in Delta G Scientific. This had been done through direct evidence, numerous documents, including several in Basson's own handwriting, and a "massive" body of circumstantial evidence, including details of the accused's modus operandus. The loans made to companies in the Wisdom Group formed part of the circumstantial evidence.

During his argument, and in response to the Judge's questions, Ackermann said that the relationship between Wynand Swanepoel, Philip Mijburgh and Wouter Basson was close and that the luxurious lifestyle enjoyed by the accused, Mijburgh and Swanepoel, was indicative of their shared "commercial success". In response the Judge drew attention to the claim that Basson had to act under the cover of being a wealthy international businessman and therefore would have had a lifestyle to match, he referred to the cottage owned by WPW in Warfield, England where Project Coast operators are alleged to have been accommodated. In his response Ackermann rejected the claim that this cottage was used as a "safe house" saying that the cottage may, on the odd occasion, have been used by Project Coast operators or collaborators, but this did not detract from the actual ownership. Ackermann also said that the Project Manager, Gen Knobel, had not known of the cottage.

In a brief response, Cilliers submitted that Exhibit A3 (Background to Activities of the WPW Group), which the state had referred to, was inadmissible since it was "hearsay" evidence. Zimmer had testified that he received a copy of the document from Webster. Webster testified that he could not remember the origin of the document, but that he "must have" received it from "someone" in South Africa. The State appeared to believe that Mijburgh was the author, but had chosen not to call him as a witness. As a result, no one had identified the author of the document, and it could thus not be seen as anything other than hearsay. The Judge accepted this point. As for the "direct" evidence of various other documents used by the State these, said Cilliers, were all false and designed specifically to support Basson's cover stories for Project Coast. The documents dealing with the proposed 1988 takeover of Delta G Scientific by the WPW Group were nothing more than part of the facade to present Delta G as a viable commercial venture.

Cilliers closed his argument. At this point Judge Willie Hartzenberg told Cilliers that he wanted to be done with this case "some day", and said he did not believe it would be productive for Cilliers to present any further argument for acquittal. He suggested Cilliers abandon plans to do so - although he could not stop Cilliers from continuing. Cilliers responded by informing the judge that he wanted to argue for acquittal on charges 6 to 10 (which relate to payment of funds to Roger Buffham's company, Contemporary Systems Design, and Wilfred Mole's company, RF Telecommunications) as there was no evidence before court pointing to any guilt. This is the result of the judge's ruling that the court would not travel to England to hear Buffham's evidence.

The judge said he had a problem with the piecemeal fashion of the litigation since it was quite clear that neither legal team was "objective" any longer. He also commented that Cilliers



should bear in mind that the accused had held a "unique" position of trust, and suggested that Cilliers should confine any further argument for acquittal to charges 6 to 10.

Cilliers said he would also wish to seek acquittal on charge 1 (supply of laboratory equipment by Buffham) and charges 15 (payment of funds to Medchem Forschungs, allegedly used as part payment for the Jetstar), 17 (alleged payment for chemicals supplied by Medchem Forschungs) and 19 (one of the charges relating to the divisible bond created for alleged payment of chemicals from Croatia).

The judge placed on record that one of the problems he had was that the legal strategies of both teams were being revealed to unnecessarily and prematurely.

No date has yet been set for Cilliers to argue further - this will only happen once Pretorius has replied on the human rights charges.

## **Trial Report: Forty-Six**

**This report covers the period Monday May 21 - Friday May 25, 2001**

Proceedings resumed for the first time since Monday May 7 with State prosecutor, Torie Pretorius, launching his response to the defence argument for acquittal on all the human rights violation charges.

He prefaced his argument with a caveat to Judge Willie Hartzenberg. While it was clearly incumbent on the judge to evaluate the testimony of accomplice witnesses with caution, he should not, at this stage of proceedings, attach too much weight to the relationship between the quality of the testimony and the calibre of the witnesses. The passage of time and human error could account for what appeared to be glaring discrepancies in the evidence of witnesses to the same event, but this did not necessarily constitute perjury, as claimed by the defence. The Judge indicated that the inconsistencies in the accounts of witnesses was the central weakness of the state's case in that it made it difficult to link the accused to the acts.

Justice Willie Hartzenberg pointed out that it was vital for the state's case that the court find that a meeting had taken place between Gen Fritz Loots, head of Special Forces and Basson in order for him to be implicated in the broad conspiracy alleged by the prosecution. According to the state it was at this meeting that it was decided that Basson would supply the operators with substances used to murder Swapo members and others. Loots was not called as a witness and the witnesses who testified had different versions of events. Pretorius drew attention to the fact that the alleged meeting had taken place some 20 years ago which would account for the differences in testimony.

Prosecutor, Dr Torie Pretorius, presented reasons why the Judge should believe the testimony of the State's witnesses in regard to the incidents with which Basson has been charged. He focussed on the testimony which directly implicated Basson in the attempted murders of Victor de Fonseca and Peter Kalangula. He drew attention to the testimony of witnesses who had said that it was "general knowledge" among CCB/Special Forces operators that toxins were supplied by the accused or on his authority.

Pretorius said none of the key witnesses had ulterior motive for implicating Basson. Basson's defence advocate argued that they wished to avoid prosecution for their own crimes, but since all the key witnesses could face life imprisonment if not granted immunity, the potential price for falsely implicating the accused was extremely high. He said there was no truth to the defence claim that witnesses were told they would have to implicate Basson if they wanted any chance of being granted immunity, some witnesses had incriminated themselves without implicating the accused at all.

The court did not sit on Tuesday May 22.



**Wednesday May 23, 2001**

Prosecutor Torie Pretorius began by clarifying two issues raised on Monday. He said that according to the evidence before court, operator Johan Theron held an initial meeting with General Fritz Loots, commanding officer Special Forces, at which the decision was taken to eliminate "surplus" Swapo prisoners-of-war in what subsequently became known as Operation Dual.

Basson was not involved in this meeting, or in what appear to have been several more, according to the testimony of both Theron and Mr K. At some point, as the pilot, Mr K would have attended a meeting with Loots, and initially, Theron would have reported back directly to Loots.

The first flight, on which Theron used chemicals obtained from EMLC, took place in July 1979, the next some 13 months later. It was only after the problems with the EMLC chemicals that Theron took up the matter with Loots and that Basson was drawn into the conspiracy and began to supply Scoline and Tubarine. Pretorius contended that confusion between Mr K and Theron about who attended which meetings and when Mr K was informed by Theron that Basson was supplying the chemicals, can be explained by a lapse of time and memory, and does not, in itself, present the court with a problematic discrepancy of fact.

The State's case is that from the time he was instructed by Loots to supply Theron with lethal cocktails, the accused played a leading role in the ongoing conspiracy, and that at all times, he either personally supplied the substances, or authorized their supply.

It was not in dispute that the accused himself had supplied sedatives to Theron - the defence had conceded that these scheduled medicines were for the use of Special Forces operators. The accused should have foreseen the possibility of an overdose being administered by operators, who were not, after all, trained medical professionals. In order to find that the accused was guilty of common purpose in this regard, it was not necessary for him to have known exactly where and when such substances would be used, nor even to be present himself. Merely by supplying them to untrained personnel, he was culpable.

Pretorius said the most important evidence to be considered in dealing with the Civil Cooperation Bureau era was that of Mr R, Mr T, Andre Immelman and Daan Goosen regarding the link between the CCB and Roodeplaat Research Laboratories, and that of Phaal and Trevor Floyd in regard to the way the CCB operated.

He then turned to the Sales List, urging the court to ask for what purpose, other than elimination, would lethal toxins have been mixed with alcohol, chocolates and cigarettes. The only possible use for such products would be for supply to hit squad operators. The defence had claimed that products handed to Basson by Immelman had been needed for further research.

The State had a bigger problem than that, said the judge. How had the policemen, Chris, Gert and Manie been able to apply paraoxon to Chikane's clothing? Where was the evidence that they had done so? And what had the State to say about the fact that the pills Immelman was required to doctor in order to poison Dullah Omar, were white, while the cardiac medication he was taking at the time, was pink? Why had Immelman provided the CCB operators with a white powder in the end? Why could pills not have been made by Steven Beukes, using the tablet press he had at Speskop? Pretorius responded that the need-to-know principle was such that not all those involved necessarily knew the tablet press existed. But the accused certainly knew, said the judge - why could he not simply have ordered Beukes to make the pills? In light of the evidence, it was "highly improbable", said the judge, that the accused had any direct involvement at all in the substance provided to poison Omar, the poison beer used to murder Knox Dhlamini or the cholera supplied to Pieter Botes for pollution of the Swapo refugee camp water supply.



But, said Pretorius, the accused's agents or representatives - in the form of Immelman and the CCB medical co-ordinators - were involved, and were acting on his instructions in supplying these substances.

Pretorius argued that the cumulative effect of the substances delivered according to the Sales List, coupled with the dates and details of incidents outlined by various CCB operators who were involved in plans to eliminate enemies of the state, could not simply be dismissed as coincidence. Nor could the court dismiss testimony about Basson saying that he could "rewrite the toxicology textbooks" or the damning terminology in reports on RRL's research projects. References to how the presence of paraoxon could go undetected, recommended dosage of certain substances and non-traceability of others, were among the irrefutable pointers to the fact that RRL was engaged in research for offensive use, not for protection of VIPs.

Was the State suggesting, asked the judge, that the entire RRL facility was set up by the accused for the sole and specific purpose of producing toxins for murder?

No, said Pretorius - the State had never suggested anything of the sort. What it does claim, however, is that by its very nature, the facility offered the opportunity for exploitation and abuse.

Hartzenberg suggested that the State should have called an international expert to explain the nature of the substances dealt with in the research reports. He asked whether, in the absence of independent testimony that specific substances could never form part of legitimate CBW research, the court was at risk of misinterpreting the results of tests conducted. The prosecution's response was to remind the judge that the case against Basson is not about legitimate CBW research, but about the abuse of the programme and its hijacking for criminal ends.

In other words, observed the judge, the State case rests on the premise that the abuse must either have been directed by the accused, or that he must at least have been aware of it. Pretorius agreed.

But this did not explain certain anomalies, said the judge. Why, for instance, had it been necessary for Phaal to travel all the way to Ovamboland to administer "jungle juice" containing an anti-coagulant to a detainee, then transport the bleeding and desperately ill man back to Pretoria in an aircraft? Why could the man not simply have been sedated with Vesperax and flown to Pretoria in a healthy condition for the experiment to be conducted? The prosecution was unable to provide the judge with any answers.

#### **Thursday May 24, 2001**

Prosecutor Torie Pretorius continued to argue that Basson should not be acquitted on any of the human rights violation charges at this stage, as only he can provide the court with answers to a number of outstanding questions. His argument focussed on the incidents which the state believes led to the attempted murder of Rev. Frank Chikane and the attempted intimidation of Archbishop Desmond Tutu.

Pretorius acknowledged that one of the police officers called to testify about the alleged contamination of Rev. Chikane's clothing at the Johannesburg airport had damaged the state's case but argued that there was sufficient circumstantial evidence to link Basson to the incident. In summary, the judge observed, the State had attempted to prove that paraoxon was applied to items of Chikane's clothing at the airport, but had not been able to present any direct or eyewitness testimony.

#### **Friday 25 May, 2001**



The final day of argument against acquittal on the human rights charges saw prosecutor Torie Pretorius focussing attention on Charge 63, the umbrella conspiracy charge.

Pretorius cited legal authority which holds that in the case of a conspiracy, a single member is liable for the actions of all fellow members, since all the conspirators support execution of the "grand objective". He argued that at all times the accused had acted with common purpose in supplying/facilitating the supply of lethal toxins to special units which had as their objective the elimination (murder) of enemies of the state. Since proof of conspiracy is "generally a matter of inference" a defendant's guilt does not hinge on whether or not he originally designed the conspiracy, or at what stage he joined it.

The Judge observed that in that case (Danie) Phaal, (Trevor) Floyd, even (Andre) Immelman are all co-conspirators with (Johan) Theron. He said that if that were so, the Section 204 warnings issued to them might not have gone far enough to ensure their escaping future prosecution. All the State witnesses who admitted to associating themselves with the elimination of enemies, were thus equally guilty of conspiracy. The Judge remarked that Pretorius might well have led them astray by limiting the 204 warnings to the charges in which they were directly involved. Pretorius argued that in certain cases, State witnesses would, indeed, be guilty, but not in others.

The Judge said that if the court found that a "grand objective" had existed, namely elimination of enemies of the state, it followed that anyone who joined the conspiracy was equally guilty. He asked Pretorius if he wanted the court to believe that there were different levels of conspiracy. He gave the example that by supplying toxins which he knew were being used to eliminate enemies of the state, Immelman, was clearly liable for the death of every single person eliminated by means of toxins - but asked whether it could be that was he also liable for the elimination of persons by all other means than toxins.

Pretorius said that if Immelman had associated himself with the grand objective of the conspiracy then he was, indeed, culpable. However, the court should bear in mind the testimony of Daan Goosen, namely that the scientists had not been told, nor had they wanted to know, details of who the targets were, nor where or when they would be hit. Immelman may well have been an innocent cog in the wheel, an unconscious member of the grand conspiracy.

The judge observed that both charge 60 and charge 63 dealt with conspiracy, but that when it came to charges of murder, the court could not say that the accused was guilty of conspiracy and therefore also of murder. Common purpose, he said, implied that someone associated himself with a specific act, and the legal parameters were thus somewhat narrower than those of conspiracy.

Pretorius differed, saying there was actually very little difference between common purpose and conspiracy in legal terms. Common purpose, however, is generally used when murder is involved, rather than ideological agreement. The judge replied that the court would have a problem convicting the accused of murder on the grounds of common purpose.

Pretorius said that what the court would have to take into account were opportunity, means and motive or ability. From the moment that agents became aware that the products they had handled might have been used to commit murder, and decided to continue their association, they became guilty of conspiracy.

Pretorius then turned to the question of the poisoned beer to be distributed at Eastern Cape taxi ranks. Judge Hartzenberg asked what was actually intended with this plan? How could 12 quarts of poisoned beer possibly have been used to "solve the taxi problems" in the Eastern Cape? Hartzenberg remarked that the plan to place bottles of poisoned beer at Eastern Cape taxi ranks made absolutely no sense at all, and appeared to be the brainchild of "someone with extremely limited brainpower".



Pretorius said he was not in a position to say what, exactly, had been in the mind of Johan Theron - but the court should ask why, having already incriminated himself in far more serious criminal acts, Theron would have made up such a story. Furthermore, the testimony of both Phaal and Rita Engelbrecht supported Theron's account. Quite possibly, the political changes which "pulled the mat out from under the military securocrats" from 1992 onwards might have played a role in what appeared to be an unlikely scenario.

Hartzenberg then addressed the question of witness selection. He said it was quite clear that certain witnesses had not been called by the State, despite the fact that they were available, and the only apparent reason for this omission was that the witnesses concerned did not support the State case. Nevertheless, the court was now being asked not to infer that they would necessarily have advanced the defence version of events. It was his impression, said the judge, that it was "more than mere coincidence" that certain witnesses were not called, and that the State had a specific reason for maintaining their silence. This meant that the State had, in effect, held its own pre-trial and decided what testimony was relevant to its specific scenario, and what was not. The result was that the court had, in effect, been presented with censored testimony rather than with all the relevant testimony, as the law required. Investigator Mike Holmes had admitted as much when he testified that statements had not been taken from certain individuals "because we knew the truth and we knew who was lying".

Pretorius said it was not true that the State had censored the testimony presented. The facts were that very few witnesses had been willing to testify at all, and the State had encountered numerous problems in regard to some of them - potential witnesses had deliberately avoided contact with the State, some going to enormous lengths to simply "disappear".

Hartzenberg said this situation left him no option but to rely on the prosecution's judgment as to who was telling the truth, and who not, rather than being placed in a position to arrive at such conclusions himself, based on his own evaluation of all the available evidence.

Pretorius pointed out that the judge has the discretion to call any witness he wishes to hear from. The problem, said the judge, was whether or not it would be fair, when dealing with conspiracy charges, for the court to do so. Both the prosecution and the defence would then have to be given the opportunity to cross-examine such witnesses.

Pretorius said that there were very few witnesses who were prepared to testify against Basson. He said the case against the accused had been fraught with undercurrents and residual sympathy towards Basson, and the State had to be on its guard at all times against the possibility of its case being eroded from within. The State had, after all, gone up against the CCB, a well organised, highly sophisticated covert group which was especially adept at cover-ups.

Hartzenberg asked if could he accept that a fair verdict was possible based on the (selective) evidence before the court. The State, after all, had enormous resources at its disposal, the full machinery of the criminal justice system, and ought surely have been able to overcome any difficulties. The defence, after all, did not have access to the same resources. In this case, said Pretorius, which involved the security forces of old, that was not necessarily true. But, the said judge, there was no onus on the defence, and the assumption of the court was that if a witness was called to testify, the court would hear the truth.

Pretorius said that such an assumption could be made in an "ordinary" criminal case, but this was not an ordinary case in any sense. It centred on a conspiracy on a scale equal only to that of major organised crime, except that the Basson case pitted an "old" political ideology against a "new" one.

So must he then accept, asked the judge, that because of an extraordinary set of circumstances, normal High Court procedures had to be suspended because the prosecution reserved the right to call only those witnesses who could make a positive contribution to its



case? Must he accept that normal probative rules were not applicable to this case, and that in numerous instances, he was to attach more weight to circumstantial evidence than to direct testimony? How was the court supposed to deal with such a situation?

Pretorius undertook to search for legal authority/precedents which the judge could use as guidelines.

Pretorius then attempted to return to Charge 63, which covers the entire spectrum of the conspiracy to eliminate enemies of the state, starting with the first meeting in the office of General Fritz Loots and ending with the plan to distribute poisoned beer at Eastern Cape taxi ranks. What the court had to ask was: Did a conspiracy exist to eliminate enemies of the state? A dozen or more CCB agents had testified that it did, and that poison was one of the methods used for this purpose. What the court had to ask was: (a) Did the individual deeds spelled out in the indictment take place and (b) was the accused part of the conspiracy that gave rise to these deeds.

The judge asked Pretorius to explain what the court's position would be in respect of a partial finding. If, for example, he could not find conclusive proof of guilt relating to Barnacle and the meeting with Loots, did this leave him room to find guilt in relation to the later deeds? Pretorius said it was the State view that at this juncture, sufficient evidence had been presented to force the accused to tell the court what had happened to all the substances and toxins provided by doctors under his command or Roodeplaat Research Laboratories. Links between the accused and the CCB had been illustrated by testimony. The State contends that the accused was an active member of the broad conspiracy, and should have foreseen that eliminations would be extended to internal operations, particularly after members of the Security Police were drawn into the conspiracy.

Pretorius said that in considering the evidence, the judge should bear in mind that single witness testimony could be relied upon, particularly if given by an accomplice found by the court to have been a credible witness.

Turning to another charge, Hartzenberg said it was inherently improbable that Danie Phaal would have travelled all the way to Namibia to give a victim "jungle juice" laced with an unidentified substance. He asked why the target would not have been flown to South Africa for the experiment to be conducted, if it was an experiment. Pretorius answered that there would have been no legitimate reason to transport a healthy Swapo prisoner of war to Pretoria - but once the substance had induced a medical condition that could not be treated in Namibia, there would be a legitimate excuse for moving the man to Pretoria.

Regarding the burning of an unidentified man's body in the furnace at Speskop, Pretorius said the court should ask: Why would Theron incriminate himself in this deed if it was not true? Since the only other person who could shed light on the matter was the accused, it was incumbent on him to enlighten the court. The Judge responded that the victim was unidentified and there was no evidence that if the incident occurred, it was designed to hide anything sinister.

All the circumstances surrounding the incident were suspicious, said Pretorius. Theron had testified that the body was to be burned after normal office hours, when no one was around. The ambulance had been driven by the accused himself, and Theron had to break the arms of the victim in order to fit the body into the furnace. Not a single procedure governing the disposal of bodies of patients who died in a hospital, including a military one, had been followed. If the incident had been innocent, or related to some medical security issue, why had the defence not simply said so, and produced evidence to this effect, asked Pretorius.

On the charges relating to the fate of the Orlando Cristina assassins, the Judge said his problem was that all the witnesses called had disclaimed knowledge of the document recommending their elimination, which the State claimed had been drawn up by the accused. Furthermore, it was clear from the evidence of, for example, Cor van Niekerk, that the



document would have had no influence at all on the SADF decision to hand the killers over to Renamo, or on Renamo's decision that they should be executed. How, thus, could the accused be guilty of incitement to murder?

The document was dated 1988, said Pretorius - a time when the accused was still young and inexperienced, and clearly eager to make his mark in the ranks of Special Forces. More importantly, it had been retrieved from one of the trunks containing personal documents belonging to the accused, and no matter if the trunks had been moved to the home of Sam Bosch from that of the accused, or from an office he might still have occupied in December 1995 - the last date of a document in the trunks - there was no doubt that the contents of the trunks emanated from the accused.

Was Pretorius sure of this, asked the judge. Why, for example, could Mijburgh not have placed the drug samples in the trunks? Why could the documents not have been in someone else's possession?

Regarding charge of assault with intent to do grievous bodily harm, relating to the chemical interrogation of the Cristina killers, Pretorius reminded the Judge that he had heard the evidence of both Theron and Rifleman Paul Heyns about a manacled patient who was handed into their custody by the accused at 1 Military Hospital before he was flown to Bloemfontein. There was also Theron's testimony that he had been told by the accused that the man had suffered an overdose during chemical interrogation.

As far as the accused's failure to store classified military documents in a proper fashion are concerned, Pretorius pointed out that the scanning process had been completed at the end of 1994, which meant the accused had a full year in which to ensure that the documents were destroyed as he had been ordered to do. He had failed to do so.

But what, asked the judge, if it was in fact Mijburgh who had neglected to destroy the documents? General Niel Knobel had testified that it was the responsibility of the accused to ensure that the documents were destroyed, said Pretorius, and he had assured his successor, Ben Steyn, that this had been done.

The State opposes acquittal of Basson on any of the charges at this point.

Defence counsel Jaap Cilliers told the court that he was ready to reply immediately to the State argument, but in light of the strategy that had emerged, namely placing only selected facts before the court then asking that the judge make deductions, he would prefer to prepare a considered response setting out the factual situation and discrepancies glossed over by the State.

Cilliers thus suggested that he deliver his response on Tuesday, May 29. He also indicated that he did not want to open the defence case before the start of the mid-year recess (Friday June 22) and would prefer, if needs be, to return to court one week before the end of the recess.

The judge said he would prefer not to do so, but at the same time, he does want to "finish this case in the year 2001". Cilliers indicated that he would endeavor to have the accused start testifying at the end of July.

## **Trial Report: Forty-Seven**

**This report covers the period Tuesday May 29 - Friday June 8, 2001**

Adv. Jaap Cilliers responded to the State's argument against the defence application for the acquittal of Dr Basson on the human rights violations charges against him. Cilliers began by attacking the State's argument that the elimination of enemies of the state could be divided



into two periods: the early period of Operation Barnacle during which an overdose of muscle relaxants were used in lethal combination to dispose of "surplus" SWAPO prisoners of war, and a later period marked by the end of Operation Barnacle and the initiation of the Civil Cooperation Bureau. During this second phase poisons produced by Roodeplaat Research Laboratories were used as assassination weapons. The State had used the case of Victor de Fonseca and the introduction of Dr Andre Immelman as purveyor of toxins as the link between the two periods.

Cilliers argued that in order to sustain the State's argument, the court would have to find that Basson had been instructed by General Fritz Loots to supply operator Johan Theron with substances that would allow a "more humane" way of killing SWAPO detainees. Unless the court could find that this meeting had taken place, the State would be unable to prove its case since, if Basson was not implicated in the Barnacle operations, there would be nothing to link him to the later CCB operations.

Cilliers said the State had failed to present credible testimony about the meeting between Loots and Basson. He pointed to specific discrepancies between the testimonies of State witnesses to make his point. Cilliers said that the State's key witness, Johan Theron was a liar who had perjured himself.

As far as De Fonseca being the link between the Barnacle and CCB eras, Cilliers said there was no forensic proof that De Fonseca died of anything other than natural causes. An operator had claimed he was given the poison to kill De Fonseca by Dr Kobus Bothma, but Bothma had testified that he handed a package given to him by Basson to "a tall man with long hair", whom he had never before seen around Special Forces. In the absence of a link between the accused and operator Danie Phaal, the State was left with nothing to link Basson to both Barnacle and the CCB.

The Judge asked Cilliers how he would explain the deliveries of toxins by Immelman to various people in Basson's office at meetings set up by his secretary. Cilliers' responded saying that the State had not called Basson's secretary to testify and there was no evidence that Basson knew what was being delivered by Immelman, or even saw or handled any of the substances.

The judge said he had asked senior prosecutor, Anton Ackermann, at the start of the trial whether the alleged crimes had been committed against a background of a state of war. He asked Cilliers whether witnesses had given testimony in this regard. Cilliers said that a number of witnesses had indicated this was the case, he pointed to the example of state witness, Henri van der Westhuizen, who had made it clear that targets for elimination were people identified as "about to perpetrate acts of terrorism inside South Africa".

The judge asked whether, if the operators had simply been obeying orders, and had believed that because a war situation prevailed, these orders were legal, there was an onus on the State to prove guilt? Cilliers said the test of guilt was whether or not someone had acted from a genuine belief that he was doing so in self-defence. Conscious knowledge that an illegal act was being committed, was not necessary to prove guilt.

But, the judge pointed out, obeying and executing an illegal order was not a defence in law. Cilliers agreed but said that no one could ever have believed that orders to eliminate prisoners of war were legal. However, since such eliminations had formed part of operations beyond South Africa's borders, and were covered by the Namibian amnesty, the legality or otherwise of such orders was not the concern of this court.

Cilliers told the court that the State had so many problems in proving every one of the human rights violation charges that in any other criminal case, the presiding officer would long since have called the advocates into chambers and asked the State: Have you nothing more substantial to place before me? However, he said, this case had a high media and political profile and the State had exploited this fact. He claimed that the State's case had so many



defects that if it were not for the high political profile, it would never have come before the court.

Pointing to the charge related to the possession of Top Secret documents the Judge asked whether the accused did not owe the court an explanation as to why the classified documents in the trunks had not been destroyed between the time the order to do so was issued in 1993, and delivery of the trunks to the home of Sam Bosch in December 1995? Cilliers responded that based on the evidence, the documents in the trunks must have gone to Philip Mijburgh's offices for scanning, and he was thus responsible for all documents relating to Delta G Scientific and RRL. The accused had been in a Libyan prison when the trunks were taken to Bosch's home, and knew nothing about them.

Cilliers said that the State's attempt to link the accused to the CCB through his questioning of CCB agents when Ecstasy was seized at an Irish port was invalid since the court had heard from General Niel Knobel that Basson answered operationally to various people. Cilliers said the reason Basson had become involved in the Ecstasy investigation, was because of the suspicion that the substance had somehow been stolen from Project Coast, and as project officer, this was of direct concern to Basson. As far as facilitating funds for CCB agents in Europe, the fact was that General Kat Liebenberg had recognised the "special talents" of the accused in regard to international banking and financing, and had used him as needed, but this did not mean that Basson was part of a CCB conspiracy.

Beyond pointing out to the court that the defence had accepted the affidavit of Basson's secretary which confirms that she arranged meetings between Immelman, Chris, Gert and Manie, in Basson's office on his instructions prosecutor Torie Pretorius declined to respond.

#### **Monday June 4, 2001**

Undeterred by Judge Willie Hartzenberg's earlier suggestion that he abandon further attempts to argue for Basson's acquittal on the fraud charges, defence counsel Jaap Cilliers proceeded to do so in respect of the following:

- Charge 2. Payment of 3,8-m Belgian francs to Professor Aubin Heyndrickx for travel costs to Iran, procurement of shrapnel contaminated by chemicals used by Iraq and establishment of intelligence channels in Iran.
- Charge 3. Payment of 90-m Belgian francs to Heyndrickx for acquisition of Chemical Agent Monitors.
- Charge 6. Payment of 3,2-m Belgian francs to Roger Buffham's company, Contemporary Systems Design, for electronic circuit blueprints needed for the reverse engineering of CAMs.
- Charge 7. Payment of =A365 000 to CSD for software.
- Charge 8. Payment of =A310 000 to CSD for "services rendered" to Project Coast.
- Charge 9. Payment of =A330 000 to CSD for "services rendered".
- Charge 10. Payment of =A31 100 a month from April 1990 to June 1991 to RF Telecommunications for rental of UK offices for Project Coast.
- Charge 14. Payment of \$4,5-m to Dr David Chu, used as security for a bank loan allegedly used to buy the Jetstar.
- Charge 15. Payment of \$154 338 to Chu.
- Charge 17. Payment of 75 491 Swiss francs to Chu for chemicals needed by Project Coast.

Cilliers argued earlier for Basson's acquittal on charges 23 and 24, which deal with Basson's alleged self-enrichment from the privatisation of Project Coast front companies Delta G Scientific and Roodeplaat Research Laboratories.

Cilliers is not seeking acquittal at this time on the major fraud charges, including those related to the purchase of Methaqualone from Croatia, the sale of NBC suits, Basson's personal interest in 45 companies that formed part of the WPW and Wisdom groups and the



complicated Blackdale/Copperdale/Tagell deal, which allegedly hid the purchase of a peptide synthesiser. He has also not asked for acquittal on charges relating to the purchase of equipment for the laboratory at Speskop, or the purchase of chemical and explosives alarms for the laboratory, despite the fact that these involve Roger Buffham.

Cilliers' arguments centre on criticism of the State's approach, and specifically the forensic audit report. All the State did, he claims, was track the flow of funds, at "great expense and through numerous foreign trips", but despite this, even after a seven-year investigation, forensic auditor Hennie Bruwer had been unable to say with certainty that the equipment which Basson claims was purchased, never existed. The best Bruwer could come up with was that the flow of funds appeared "suspicious".

This was not sufficient to warrant a conviction, Cilliers argued. In order to find the accused guilty, the State would have had to prove beyond reasonable doubt that Basson had willfully made false declarations to the SA Defence Force about what project funds were to be spent on.

Cilliers said the State case was based largely on its findings that the funds in question were not used for the purposes claimed by the accused, but even if the court agreed with this, it did not necessarily constitute criminal intent, as it could be due to simple human error.

On this basis, the accused should, in fact, be acquitted on all the fraud charges, said Cilliers, though he conceded that the alternative theft charges might demand that he supply the court with answers.

#### **Tuesday 5 June, 2001**

The State response to argument for acquittal on 10 of the fraud charges, was delivered by Werner Bouwer.

Bouwer argued that the defence had deliberately solicited opinions from almost every witness during cross-examination, and was now attempting to hold these opinions up to the court as evidence. He said the defence had cited only carefully selected passages from the court record and had chosen to ignore crucial evidence. Bouwer said the defence had failed to deal with the accused's failure to disclose his personal interests, which were as important as the reasons he gave for expenditure of Project funds.

Judge Willie Hartzenberg asked Bouwer if the State had proved that anyone in a position of authority over Project Coast funding had ever been unhappy or suspicious about the expenditure incurred. Bouwer said that the State had not because they had to structure the case around what those responsible had known or been told. What the State had proved, however, was that a "total lack of control" was exercised over the millions of rands allocated to the project.

The Judge reminded Bouwer that the State's own witnesses had testified that documented motivations for expenditure were deliberately kept as vague as possible. He asked whether the State expected him to believe that "the entire SA Defence Force" was peopled by idiots, and that not one person had detected a massive fraud in a project that cost millions over more than 10 years? Bouwer responded saying that if any of those responsible for controlling the project funds had ever conducted a physical verification that equipment paid for in terms of the documentation had actually been delivered, someone almost certainly would have detected the fraud. But they had all testified that no physical verification was ever done.

The judge said the State was required to prove conclusively that project funds had actually gone missing, and that a "huge" amount of money had ended up in the accused's bank accounts, evidence of which had not been presented.



Bouwer addressed each of the charges on which the defence is seeking acquittal. He drew attention to what the State believes was a pattern in the fraud. He said Basson was adept at double invoicing, using more than one channel for acquisitions and inflating the price of genuine project needs in order to obtain funding for his private enterprises. He gave the example that Project funds had paid twice for the same NBC suits and pointed to the peptide synthesiser deal as another case in point. The peptide synthesiser at Delta G Scientific had cost about R200 000, yet the accused claimed that millions of dollars were spent on acquiring a second peptide synthesiser. Methaqualone needed by Delta G Scientific was supplied by Organochem =96 yet when called to account over the funds in Charge 19, the accused claimed that they were used to buy methaqualone in a clandestine deal with Croatian officials. Bouwer said the same pattern could be seen in relation to every charge.

Bouwer said the State was prepared to concede that sanctions-busting formed an integral part of Project Coast, but it would not agree that all the transactions conveniently placed in this category by the defence were, in fact, sanctions-busting. He said that in addition to misrepresentations by the accused about the utilisation of project funds, the court also had to consider his non-disclosure of pertinent facts. Why, for example, had he failed to disclose the use of project funds as security for bank loans to WPW? The defence would no doubt argue that this was because certain transactions were "operational" and that neither Knobel nor Theron needed to know the details. But Knobel had made it quite clear that the need-to-know principle did not entitle the accused to deceive him.

What, asked the judge, would the honest project officer have done?

At the very least, said Bouwer, disclosed the existence of all channels through which project funds flowed and, if they were genuine fronts for the project, the existence of all companies and bank accounts used. The accused, however, had not even made these disclosures in 1994, when specifically asked by the Office for Serious Economic Offences about the role played by specific companies. The reason for his silence was that he had deliberately misled the Chief of Staff Finance, Military Intelligence and OSEO all along. Only during the course of his trial had he offered variations on his earlier explanations.

### **Wednesday June 6, 2001**

Judge Willie Hartzenberg raised a number of concerns about the State's case, leading to a series of sharp exchanges between himself and prosecutor, Werner Bouwer. Central to the Judge's concern is that there is no evidence before court confirming or denying that Project Coast ever received equipment Basson claims was purchased with the funds he allegedly embezzled.

Judge Hartzenberg said the State's case is not that this equipment was never delivered to the project, though this is a possibility, but that if it existed, it was not paid for with the specific funds Basson is charged with misappropriating for personal gain.

The Judge cited Charge 2 as an example of the problem the court faces. The State alleges that the =A348 000 paid to Aubin Heyndrickx was not, as Basson told the Office for Serious Economic Offences, in respect of costs for a trip to Iran, but, in fact, for the 13 Chemical Agent Monitors which Heyndrickx supplied. The State alleges that the =A31,3-m involved in Charge 3, on the other hand, which Basson claims was used to pay for said CAMs, was actually used for the benefit of the accused/WPW Group, and in part, for example, to purchase the King Air. The State does not dispute that CAMs were supplied to the project, nor even that Heyndrickx was paid for them, but contends that the fraud lies in Basson's misrepresentations or omissions, and the fact that the flow of funds tracked by the forensic auditor shows that the specific money Basson claims was spent on the CAMs, was actually not spent in the interest of the project, but for personal gain.

In order to prove its case, the State relies almost entirely on explanations offered ex post facto by the accused, for example in response to questions from OSEO. But if CAMs, for



instance, were supplied and paid for, can the court find the accused guilty of fraud on the grounds of incorrect attribution of funding alone?

So serious has this issue become that the judge asked the State to address him specifically on this issue, citing legal precedent and case law, on Friday morning.

Bouwer went on to continue where he left off on Tuesday, addressing the specific charges on which the defence seeks acquittal.

Bouwer explained to the court that the auditing function in respect of all SA Defence Force classified projects stopped at the point of transfer to a foreign bank account. In terms of his appointment by the Auditor-General, Petro Theron was responsible for auditing all Project Coast funds transferred abroad or roundtripped to disguise their military origin. In addition, the auditor-general had personnel stationed at Military Intelligence on a permanent basis who were responsible for ensuring that correct procedures were followed in respect of all foreign fund transfers, but that was where their vigilance ended. No one ever examined the flow of funds once they had been paid over to a foreign bank account, because none of the financial controllers was supposed to know what the funds were used for, or who the ultimate beneficiaries were. Bouwer said the accused was aware of this, and exploited the situation to his own advantage.

After Bouwer presented the State's argument on the specifics of the charges in question the court adjourned until Friday morning.

### **Friday June 8, 2001**

The final day of argument in the acquittal phase saw prosecutor Werner Bouwer addressing the legal point raised earlier by the judge, namely if the equipment itemised by Basson had, in fact, been acquired by Project Coast, even if not necessarily with the funds he claimed were used for specific items, wherein lies the fraud?

Bouwer conceded that legal authority on the issue is against the State, but because all the evidence indicated a repeated pattern of behaviour on the part of the accused, the State argued that through his actions, the SA Defence Force was willfully deprived of its fiduciary right to exercise proper control over project funds. He said the accused deliberately kept those responsible for managing the funds, in the dark about the true state of affairs. Through the use of examples Bouwer showed that the SADF had been prejudiced by the way in which Basson had spent the Project funds and that his failure to disclose the actual expenditure of funds had resulted in an irretrievable loss of funds.

Responding to the State argument, defence counsel Jaap Cilliers said non-disclosure could only constitute fraud if there was a legal or statutory onus on a person to make disclosure. If no such onus existed, no court could find grounds for a conviction of fraud. Cilliers said a statutory onus to disclose the truth could not be imposed on someone engaged in criminal activity.

He said that the documents authorising Military Intelligence to make foreign fund transfers could not be relied on as a true reflection of expenditure. Knobel had testified that not only were these documents couched in cryptic terms, but were deliberately designed to prevent those making the transfers – 96 junior military officers – from having any indication of the true purpose of expenditure. Theron had testified that he was perfectly happy with this practice, provided he was made aware of the true state of affairs, and the defence contends that in fact, Theron was fully informed, verbally, during his meetings with Basson for audit purposes.

For the court to find the accused guilty beyond reasonable doubt by virtue of misrepresentation due to non-disclosure, it would first have to find that the Military Intelligence documents were, in fact, an accurate reflection of the funding proposals made to the Co-



ordinating Management Committee, but the court did not even have evidence that each and every proposal to the CMC was made by the accused.

The essence of the case against the accused, said Cilliers, was the use of project funds for the acquisition of equipment. It was not the State case that the equipment had never been bought, only that it had not been bought with specific funds. On that basis, there were no grounds for a single fraud charge against the accused. Knobel had testified that in each of the specific instances, funding had only ever been requested once. If that was true, what possible justification could there be for investigators to have undertaken numerous abroad to track the flow of funds? Cilliers said it was the flow of funds alone which had led forensic auditor Hennie Bruwer to deduce, for example, that no equipment had been bought for the laboratory at Speskop.

He said it was naïve to suppose that not a single CMC member – some of the most senior generals in the SADF – would have realised double-invoicing was being used to hide misappropriation of funds. One might speculate, therefore, that equipment was acquired through another channel, such as Armscor, but who could then say that if the accused stole funds, it was not Armscor's funds that were stolen, while the SADF's were used for legitimate purposes? This, too, he said, would be nothing more than wild speculation, but because a member of the "old" SADF was being prosecuted, it seemed that all the rules of evidence, the very law itself, could be disregarded and set aside – just as long as "someone from the old order can be nailed".

Judge Willie Hartzenberg will hand down his decision on whether or not to acquit Basson on all or any of charges 2, 3, 6, 7, 8, 9, 10, 11, 14, 15, 17, 23, 24, 25, 26, 27, 28, 29, 30, 32-35, 36, 37, 38, 38-41, 42-44, 45, 47-50, 51, 52, 53, 56, 57 and 59 on Monday, June 18.

## **Special Trial Report:**

### **Monday 18 June 2001 - the acquittal of Basson on 15 charges**

This is a special report on Judge Willie Hartzenberg's decision to acquit Dr Wouter Basson on 15 of the 46 charges the state brought against him in 1999. The report provides a detailed breakdown of the charges on which Basson has been acquitted and those which he still faces.

Judge Willie Hartzenberg has given no reasons for his decision to acquit Dr Wouter Basson on 15 of the 46 charges against him. The Judge will include his reasons for the decision into his final judgement at the end of the trial.

Acquittal has been granted on the following charges:

- a. Charge 2 - R220 789 paid to Professor Aubin Heyndrickx for trip to Iran.
- b. Charge 6 - R200 000 paid to Roger Buffham's company, Contemporary Systems Design, for electronic circuit blueprints for reverse engineering of Chemical Agent Monitors.
- c. Charge 10 - R67 424 paid to Wilfred Mole's company, RF Telecommunications, for rental of offices for Project Coast.
- d. Charge 28 - Possession of 38,6g of Ecstasy found in blue steel trunks.
- e. Charge 29 - Trafficking in Mandrax (96,9g) and cocaine (14g) found in trunks.
- f. Charge 30 - Trafficking in Mandrax (100 000 tablets offered to Danie Phaal).
- g. Charge 36 - Incitement to murder (5 Renamo members who killed secretary-general Orlando Cristina).
- h. Charge 37 - Assault with intent to do grievous bodily harm (chemical interrogation of 5 Renamo assassins).
- i. Charge 38 - Conspiracy to murder (ANC spy Roland Hunter, with mamba venom).
- j. Charges 39-41 - Attempted murder (three unidentified victims at Dukuduku on whom jelly-like substance was smeared by Dr Kobus Bothma).



- k. Charge 52 - Murder (Special Forces operator Victor de Fonseca).
- l. Charge 57 - Attempted murder (the Rev Frank Chikane).
- m. Charge 60 - Conspiracy to murder (Minister of Transport Dullah Omar).

The judge failed to address three of the 46 charges on which acquittal had been sought. Those three charges remain on the charge sheet to be answered by the accused.

The three charges which now form part of the remaining 46 on which Basson must testify and be cross-examined, are:

- a. Charge 15 - The "twin" of Charge 14, which deals with R12,1-m payable to Medchem Consolidated Investments for cancelled SADF contracts, roundtripped through Dr David Chu and Medchem Forschungs, which was used as security for bank loan to WPW Group to buy Jetstar aircraft.
- b. Charge 51 - Defeating the ends of justice - burning of body of unidentified man in the furnace at Speskop.
- c. Charge 64 - Possession of classified documents found in the blue steel trunks. The remaining charges on which acquittal was sought, but not granted, are:
  - a. Charge 3 - R5,5-m paid to Buffham (for CAMs).
  - b. Charge 7 - R292 538 paid to CSD for software and CBW database.
  - c. Charges 8 & 9 - R198 070 paid to CSD for "services rendered".
  - d. Charge 14 - Use of project funds as security for bank loan to purchase Jetstar.
  - e. Charges 17 - 75 491 Swiss francs paid to Dr David Chu for "chemicals".
  - f. Charges 23 & 24 - Self-enrichment/financial gain from privatisation of SA Defence Force front companies, Delta G Scientific and Roodeplaat Research Laboratories.
  - g. Charge 25 - Possession of 100 Ecstasy capsules (Bryanston sting operation).
  - h. Charge 26 - Possession of 2 018 Ecstasy capsules (Rustenburg sting operation).
  - i. Charge 27 - Possession of 1 040 Ecstasy capsules during January 29, 1997 arrest at Magnolia Dell.
  - j. Charges 32-35 - Murder of four unidentified men at Zeerust, 1984, by Johan Theron, Phaal, Trevor Floyd, Chris Pretorius and Matie van der Linde (bodies thrown into the sea from aircraft).
  - k. Charges 42-44 - Murder of three unidentified men at Dukuduku.
  - l. Charge 45 - Conspiracy to murder Swapo prisoner of war (fed "jungle juice" by Phaal at Ondangwa, then flown to 1 Military Hospital, where he died).
  - m. Charges 47-50 - Assault with intent to do grievous bodily harm (four unidentified men injected at Lanseria before being thrown from aircraft).
  - n. Charge 53 - Murder of unidentified victim, Barberton.
  - o. Charge 56 - Murder of 5 Reconnaissance operator Mack Anderson.
  - p. Charge 59 - Attempted intimidation (baboon foetus at home of Desmond Tutu).
  - q. Charge 62 - Conspiracy to murder (poisoned beer to be placed at Eastern Cape taxi ranks).
  - r. Charge 63 - Conspiracy to murder (elimination of enemies of the state by CCB).

Basson will take the stand in his own defence on Monday, July 23. The remaining 46 charges against him will require him to testify on a broad spectrum of his activities while head of Project Coast, and will offer the State an opportunity to cross-examine him in depth.

## **Trial Report: Forty-Eight**

**This report covers the period Monday 23 July - Thursday 26 July, 2001**

### **Monday 23 July**

Before Dr Wouter Basson took the stand to testify in his own defence, the prosecution brought an application seeking permission for both Anton Ackermann and Torie Pretorius to cross-examine him. The trial has been conducted in two distinct parts, evidence relating to



the human rights violation charges has been presented by Pretorius and evidence regarding the fraud charges by Ackermann. The defence legal team led by Adv. Jaap Cilliers opposed the application. The Judge said he will rule on this matter at the end of Basson's evidence in chief.

Cilliers then brought an application to have the transcript of the conversation taped during Basson's arrest at Magnolia Dell, declared inadmissible. The defence does not concur with the State's transcript, and the tape itself was inaudible in many places. The judge made it clear that the transcript was an aide, and that the actual tape was the evidence. The judge said, if necessary, he would listen to the tape to settle any disputes on the contents. The transcript remains evidence.

Basson began his testimony with a brief description of himself and his qualifications. He testified that in March 1981, after qualifying as a specialist physician whilst a member of the South African Defence Force, the Surgeon-General, Nicol Nieuwoudt, called him to a meeting in his office, and said there was a need for the SADF to launch a CBW research programme. He claimed that intelligence had indicated a real threat of chemical and biological weapons being used against South African troops in Angola and the Operational Area.

Basson said the "enemy" was identified as the Angolan forces and their surrogates, the Cubans, East Germans and Russians. Basson was informed that the Cubans, East Germans and Russians all had chemical weapons, and was given examples of these having already been used against UNITA. Nieuwoudt asked if he would be interested in the CBW research project. He told Nieuwoudt the CBW project sounded like a "most interesting mental exercise" and, if South African troops were under threat, it would be an honour and a privilege for him to serve in this capacity.

Basson said that a few days later he was called to a meeting with the head of the SADF, Constand Viljoen, Chief of Staff Intelligence, Lt-Gen Pieter van der Westhuizen, Commanding Officer of Special Forces Fritz Loots and the Surgeon-General. At this meeting, it was clearly said that the SADF had no ability to defend itself against chemical or biological weapons. According to Basson, it was agreed that he would be to gather as much information as possible about chemical and biological warfare so that a decision could be made about what direction the SADF project should take.

Basson said that from the beginning, it was implicit that the project had to include plausible deniability and that the SADF could never be linked to his operation. Whatever funds he needed would be made available, and no restrictions were placed on how he went about his task, but it was made clear that South African diplomats abroad, for example, should only be contacted by him if he found himself in absolutely dire straits.

Basson said he realised that he would find the most information in the United States. So in April 1981, he traveled to the US, presenting himself as a draft dodger to the various organisations with which he needed to make contact. He claimed that over a two-month period, he learned the names of government officials who had access to the official data banks, and made contact with them – including a librarian in the Library of Congress, through whom Basson gained access to both open and classified information.

He said he found the European "peaceniks" far less effective than their American counterparts, but did discover two other European groupings which were of enormous value. The Stockholm International Peace Institute, he said, was actually a Russian front – funded from Moscow and a mine of useful information. He claimed that in England, he discovered that retired military officers and scientific researchers were eager to share their information.

Basson said Project Coast as such was launched in July, 1981. He said from the information he had gathered, he realised that there was a very real threat that the Eastern Bloc countries would supply the Angolan surrogate forces with chemical and/or biological weapons.



He said that the SADF considered all chemical substances, chemical weapons. He said some countries classify chemical substances produced in a biological laboratory, such as Clostridium, as non-chemical, but this was not the case in South Africa (Note: all internationally accepted definitions draw a clear distinction between chemical weapons and biological weapons, no explanation was given for why South Africa did not adhere to these distinctions).

Basson claimed that the most recent technique, developed by the Austrians with South African help after visits to Iraq and Iran, is based on the same principle as a powder fire extinguisher, and directs the toxin straight to the lungs.

Basson explained the management structure of Coast and the starting phase of the programme which involved the establishment of Delta G Scientific and the recruitment of staff. He said that the first project was the production of the irritants – CS and later CR. He said these products were carefully chosen as a way of easing the scientists into the demands of working safely with toxic substances.

He said that if one has to work with a tasteless, odourless, colourless substance, by the time an error is realised, it is likely to be fatal. He claimed that when he was in an Iraqi mustard gas factor between seven and 10 workers died on average each week due to accidents and negligence. He said this did not seem to matter to the Iraqis, "who have lots of people to man their plants" and that South Africa could not afford such negligence.

Basson testified that soon after Delta G was set up, Roodeplaat Research Laboratories was established to test all chemicals produced by Delta G. He said the animal experiment centre was where all CBW substances were tested. Every substance ever made at Delta G, said Basson, was tested at RRL. He claimed that a genetic engineering and tissue culture division was responsible for viruses and cultures. (Note: scientists who worked at RRL have repeatedly claimed that no viruses were worked with at RRL because the facility was not equipped for work on viruses and the scientists were not suitably trained.) Basson said the official cover for Roodeplaat Breeding Enterprises was development of a super guard dog for such organisations as the SADF, SAP and Eskom, but RBE actually provided the perfect cover for genetic engineering.

Basson claimed that the microbiology division of RRL was responsible for producing cultures and for "enhancing" them, so that benign germs could be turned into lethal ones that would resist all known treatments and antidotes.

He said that Andre Immelman's section had control over the other four divisions of RRL and that Immelman liaised directly with him (Basson).

Basson spoke about the production of CR at Delta G Scientific and said that CR was loaded into projectiles at the Denel subsidiary, Swartklip Products. Asked if any of these CR projectiles were ever used operationally by the SADF, Basson said they have been used during the final attack of operations Modular-Hooper-Packer at Tunqu in Angola where Angolan forces had laid a minefield. He said a weapon had to be devised that would allow the SADF troops to disengage under covering fire if they found themselves trapped by the minefield. A number of 81mm CR mortars were prepared, under such conditions of secrecy that not even the army's CR project officer, Roelf Louw (who did testify) was allowed to know about them. This was done on the orders of the SADF chief by Basson and Enslin Smit, using Brazilian steel and empty projectiles imported from Israel. Once filled, they were issued to "a certain unit" for use by tanks if they became trapped. Basson said this was a covert operation, during which he led a special unit from 7 Medical Battalion to Angola to be on hand when the mortars were deployed. He claims that the CR projectiles were fired.

Basson said that in 1984, he and Lothar Neethling attended a conference hosted by Aubin Heyndrickx in Belgium. There he said he met an Englishman, Derek Griffiths. Through Griffiths, Basson and Neethling met Herr Blucher, who knew or was soon made aware that



Basson was engaged in sanctions-busting for the South African security forces. Basson claimed that Blucher had what was known as a "CBW Mafia" – a group of experts in the field who met monthly to exchange ideas and information and discuss the latest developments in the field. Members of the group included Russians, Chinese, Americans, Swiss, and others. Basson said that through this group, he realised that the world was convinced that Russia planned to use Angola as its next testing ground for CBW.

On returning to South Africa, Basson informed the Surgeon-General and Military Intelligence's Chief Director Counter-intelligence about this group. Both authorised him to attend the monthly meetings. He said it soon became obvious to him that each member of the CBW Mafia had access to the CBW secrets of his own country.

Basson dismissed Heyndrickx an agent provocateur, a mercenary and propagandist for the Russians and East Germans, who presented himself as the representative of the non-existent UNIDO-TIAFT. Basson said that through the CBW mafia he met a German, (Dieter) Dryer - "clearly" an intelligence officer ; a North Korean named Chong, an Austrian whose name he could not recall, an Arab intelligence colonel named Abdurazak and unnamed Italians. (Note: these names were not spelled for the court and their spelling in this report is phonetic.) Basson said it was clear that the monthly meetings offered ideal opportunities to acquire both clandestine information and equipment.

Around the middle of 1986, Basson said he realised that Dryer and another man, Simon Peurra "had a man in England". Basson said he reported this to Military Intelligence, who passed it on to the military attaché in London, who reported back that the man was Roger Buffham, known to the attaché already. Basson met with Buffham. He said he met David Chu in 1988/89 when Dryer asked Basson for help in laundering \$250 000.

Basson said Dryer and Jurg Jacomet (now deceased) worked together often, but he met Jacomet in 1986/87 when he and Lothar Neethling went to Europe for another conference.

Cilliers asked Basson if he had ever travelled to Iran in connection with infectious diseases. Basson said he had done so in the mid-70s. He said the potato crops on Iran's northern border with Russia were hit by a deadly microtoxin and several thousand people died from necrotising entero-colitis. The only other country in the world where this fungus occurs naturally, is South Africa – specifically the Koue Bokkeveld area, so Basson was sent by the Surgeon-General to Iran to help.

He also claimed that about a year later, he was sent on a mercy mission to help the American government. He said he was flown to a secret laboratory in the jungle of Zaire, where American scientists had fallen prey to their own experiments with haemorrhagic fever. The sick scientists were treated first at the secret laboratory, then flown to 1 Mil for further treatment, and once recovered, back to the US.

## **Tuesday 24 July**

Defence counsel Jaap Cilliers began by asking Basson to explain his earlier mention of the use of "red" and "blue" plans as a quality control measure when substances manufactured by Delta G Scientific, were tested by Roodeplaat Research Laboratories. The court had heard, said Basson, of the Civil Cooperation Bureau's red and blue plans. In practical terms, Basson said he used the strategy when evaluating measures designed to protect SADF members and VIPs. RRL's team, for example, would be instructed to come up with a plan to eliminate a target in a specific location and situation, while Delta G's team would be given the same scenario, but had to come up with ways to avoid elimination. Basson would then evaluate both plans and draw specific conclusions which could be incorporated into the VIP protection plan.

Basson said he used some samples to train agents on how best to take care of themselves when abroad. They were also taught basic rules of survival against a CBW assassination bid.



He said the problem with these exercises was that "most" of the scientists had an entirely different perception of the "war games" because none of them had a military background, and the "games" were thus open to misinterpretation.

Basson said both RRL and Delta G were "typical" military front companies, fully owned and funded by the state. This was the model used in the early days of Coast, mainly due to lack of experience in the field. Later, Basson said he realised that the model presented an exceptionally high security risk, as such front companies were inclined to attract undue attention regarding the invisible source of funding.

Gradually, he said Coast began to move in the direction of partial or semi-front organisations, where a specific individual appeared to be the owner – as in the case of Organochem – but where 99% of the work done, was for the state. In the end, he said he found that the best front companies were those that were "hijacked" for covert use. This entailed finding a willing collaborator, then turning the company/organisation in which such person was involved into a military-oriented one, without the person concerned ever realising that this had happened.

Basson explained the structure and function of the Co-ordinating Management Committee of Project Coast. He said that when Gen AJ (Kat) Liebenberg (now deceased) became SADF chief, CMC meetings typically took the form of two or three sub-sessions. Liebenberg would ask certain committee members to leave the room briefly, while specific aspects were discussed. Minutes of such sub-sessions were retained by Liebenberg himself, while Niel Knobel was the keeper of the "normal" minutes, which would only be distributed to members 15 minutes before the next meeting, and in the venue of the meeting itself.

Apart from the orders he received from the CMC or as Commanding Officer 7 Medical Battalion, Basson said he had another chain of command. Liebenberg was the longest-serving CMC member – as CO Special Forces from 1982, Army Chief from 1985 and later as SADF Chief. Liebenberg tended to treat the CMC members as his personal soldiers, and was given to engaging Basson in one-on-one sessions during which specific personal operational orders were issued, which were never shared with the CMC.

The only examples he can now recall are:

During the last stages of SADF support for Unita, Basson was ordered to get involved in a 120mm mortar project. Certain equipment had to be acquired, such as specific fuses for the CR-loaded mortars. Basson was told by Liebenberg to buy them, despite budget constraints. From time to time, Coast assets were sold to fund further aspects of the project, so Liebenberg told Basson to sell a certain number of NBC suits to the Army to obtain the funds for the fuses. This is the so-called Karko transaction.

On another occasion, Liebenberg told Basson that the special applicators (assassination weapons) were being used in the international arena, and wanted to know if the SADF had them. He ordered Basson to manufacture a number of items – like the screwdrivers, umbrella and walking stick – for the purpose of conducting tests and training agents about what items they should beware of.

By 1986, Basson had already made good contacts through members of the CBW Mafia, who saw him as a sanctions-busting businessman and arms smuggler. A few small deals had already been done with CBW Mafia members, and there was the promise of many more. He said the CBW Mafia members he dealt with did not want payment in their own countries. They wanted their money laundered and available in countries of their choice, and asked Basson if he was prepared to arrange this on their behalf.

Basson cleared this concept with Surgeon-General Nicol Nieuwoudt (now deceased). He said he consulted Wilfred Mole saying he was keen to be of help to the CBW Mafia, but the money-laundering had to be done in a way that could not be traced back to them and asked Mole how should he go about doing so.



Basson said he was dealing with three groups – Libyans, East Germans and Russians, all of whom he had met through Blucher's CBW Mafia, and all of whom were potentially valuable suppliers of equipment for Project Coast. Basson said Mole told Basson that David Webster would be able to establish a suitable money-laundering operation based in either Hong Kong or the Cayman Islands. Mole had set up a meeting with Webster.

Basson said Webster was waiting in the Caymans for he and Mole. Basson said he told Webster he was involved in purchasing sensitive equipment for the SA security forces and sanctions-busting, but made it clear from the start that all payments were to be laundered on behalf of the suppliers. Basson did not use his military rank at the meeting, and was introduced to Webster as Dr Basson. He claims he has no idea what Mole had told Webster, but after a day or two, Basson and Webster found themselves talking about military matters, comparing US and South African weaponry.

Basson said Webster explained that in order for the scheme to succeed, he would have to set up plausible front companies, with cover stories. But he would need the name of an individual with whom he could conduct future dealings, and the name of a real person, of good reputation, as a believable figurehead in the event of an intelligence probe. Since not one of the mysterious principals could be linked to the scheme by name, Basson suggested that Webster decide who the nominated office-bearers and directors should be. Shortly afterwards, Webster informed Basson that he had listed himself as president of the WPW Group, and that in his opinion, Basson's was the best name to feature alongside his own.

Basson said he was initially taken aback by this decision, but he realised it was a good idea, and one he could exploit to his own advantage on his international travels, since his cover story was that of a medical doctor and international businessman – or CBW arms dealer, depending on who he was dealing with. Basson said he returned to South African and reported back to Nieuwoudt and General Roux on what had transpired in the Caymans.

Basson said Coast was ready to launch the purely defensive leg, but the necessary research could not be done at Delta G. At the same time, the principals had indicated that they wanted an independent research and test facility in a "neutral" country which later resulted in SRD. Basson said it made sense to "hijack" the WPW Group's structures, use them as his personal business cover while simultaneously channelling the SADF/Coast deals through them, without the Principals being aware that he was doing so.

The next step, says Basson, was to set up the European operation, starting with Luft and Charburn. This, said Basson, dovetailed neatly with the needs of the East Germans in particular. (Dieter) Dryer had specifically requested that facilities be set up there. Basson did not know Bernard Zimmer as yet, but in 1986, when he met Jean-Pierre Seynaeve at Aubin Heyndrickx's conference, the Belgian industrialist had held a long talk with Basson and Neethling, and indicated that he "had a man" in South Africa – Charles van Remoortere.

Basson said he made contact with Van Remoortere in 1986 and told him what the SADF needed in respect of protective gear. Van Remoortere first discussed getting involved with Seynaeve, and on returning from Europe, told Basson that all the technology needed, as well as defensive clothing, gas masks, gloves etc, would be obtained from Seynaeve. Basson testified that in December 1986, he and Lothar Neethling went to Europe to meet Zimmer. He said the company, Luft, was set up on behalf of the Principals and Charburn as a joint venture between Van Remoortere and Zimmer for the transfer of technology by Seyntex.

Basson claimed that the large sums of cash laundered by Dr David Chu also came from the principals and had no connection to Project Coast.

Basson said that from March 1986, Coast had been at a critical stage of development, unless they could proceed to weaponisation, all the work would have been in vain. This meant that a pyrotechnical capacity had to be acquired. He said that at the time, methaqualone was being manufactured at Delta G in laboratory-scale amounts only, but the plant was geared to move



to large-scale methaqualone production, and the next step would be weaponisation. He said that Swartklip Products did not have a facility where pyrotechnical development and weaponisation could be done. Basson said he was ordered by the CMC to a suitable facility.

He said his first task was to find out what equipment was needed. All of it would have to be acquired by clandestine means, since the sanctions covered even dual-purpose equipment. Basson consulted Dryer who he claims was an East German intelligence agent. Basson said Dryer set up a meeting for Basson in Leipzig with a technical expert, and he obtained a full explanation of what was needed for the new laboratory. He then met with Roger Buffham. Basson said Buffham was able to help Basson design the new lab.

Basson said it was decided that the laboratory should be at Speskop (Special Forces Headquarters). He said he understood that Roger Buffham was working for the East Germans in return for financial reward, and also had close links with the Russians, for whom he also worked. Basson said that some components for the new laboratory were to be acquired from East Germany, others custom-made in England via Buffham. The reactor glass were obtained from Russia. Delivery of the various components took place over some months at the end of 1987/beginning of 1988.

Basson said he led the research which was done with the help from a Special Forces member, Hekkie van Heerden (Note: a soldier in the Reconnaissance division of Special Forces who is deceased) and Bill Grieves.

Basson said the development of the methaqualone progressed to the pre-production stage and "hundreds" of pre-production models were turned out. Basson said Knobel, who testified that only the prototype stage was reached, evidently did not understand the various stages of production.

Basson denies that there is any substance to the State suggestion that funds from sources other than the Coast budget – such as the Army, Special Forces or Armscor – were used to buy actual equipment in some instances, and that the Coast funds allegedly used for this purpose, were misappropriated.

Basson said instructions to Zimmer to move funds were based on the wishes of the principals. Buffham was used as a middleman. Documents showing the purchase of share capital in Buffham's company are all false, said Basson. He claimed that Buffham created false documentation as a matter of routine. He said that most, if not all, of the documents presented by the State were specially created to protect both the front companies and the compilers of the documents – all of whom, says Basson, were engaged in activities which, if admitted to, would have dire consequences for them in their home or other countries. Any public admissions that they had been engaged in sanctions-busting, money-laundering, even international espionage, could result in lengthy jail sentences.

He said his request in a letter to Webster that the lawyer "do your usual thing" refers to the fact that Webster was skilled at generating documents. Basson said Zimmer's talent lay in balancing books and Chu's talent was that he could locate chemicals which no one else had been able to acquire.

Basson denies that he ever had a personal interest in or gained financially from the WPW Group or the European companies. He was reimbursed only for specific expenses incurred on behalf of the Principals. He said the Principals indicated at some point that they wanted to acquire a property in England, which could serve as a type of safe house. Basson offered not only to make the purchase, but to manage the property. In return, he would have the use of it, and arranged with the Commanding Officer of Special Forces that operators could also use it. It was ideally situated for their purposes.

**Wednesday 25 July**



Invited by defence counsel Jaap Cilliers to explain to the court precisely how he regarded his principals, Basson said it was important to bear in mind that he actually had two sets of principals – the group which supplied the start-up funding for the WPW "option", and the SADF, his "operational" principals. He said the financial principals were a dynamic group. In the beginning, it was his impression that Dieter Dryer and Simon Peurrer were the leaders of the group, of which other members were: a Russian by the name of Verobian, Abdurazak (or Abdul Razak, as Cilliers pronounces the name). He said that he later he came to realise Abdurazak was "running the show".

Basson said it was clear to him that the SADF enjoyed the greatest benefit from the arrangement. He said the financial principals received the information passed on to them, by Basson, about research done by Protechnik, in return.

Basson said the aircraft owned by the financial principals were "welcomed everywhere" and claimed that he landed at British military bases in them. He said that with Savimbi on board, an aircraft was also able to land at Brooks Air Force Base, Washington DC which was a location used to smuggle out classified documents.

Basson claims he met Yusuf Murgham in the late 1980s through Abdurazak, shortly after Aeromed was set up. Basson said that Abdurazak was a member of Libya's military intelligence. Abdurazak's sphere of operations, Basson said, was the United States, South America and part of Europe, and Murgham was his deputy. Basson's perception of both, at the time, was that they were military intelligence agents, and this, he said, was confirmed during his subsequent visits to Libya.

Cilliers made the point that although three corporations had been set up in the Cayman Islands, WPW Investments Inc appeared to have become the sole operating company quite soon afterwards. Basson explained that he had realised during his initial discussions with the financial principals that they comprised three distinct groups. This motivated him to set up three different corporations – one for the Libyans (WPW), one for the East Germans (MCI) and one for the Russians (PCM).

Regarding the charges against him of gaining financial benefit from privatisation of Delta G and RRL by failing to disclose his "friendship" with Swanepoel and Mijburgh and the relationship between Mijburgh and Defence Minister Magnus Malan, Basson denied that there was any misrepresentation in any of the documents pertaining to the privatisation process. He said Swanepoel and Mijburgh were colleagues, with whom he had a "friendly" relationship. Basson denied ever having any personal financial interest in the WPW Group. He also denied that WPW ever had a financial interest in Delta G through Medchem Consolidated Investments.

Basson claimed that because RRL included a P4 laboratory there was "virtually no chance" of any buyer being found for the facility. (Note: testimony from the scientists who worked at RRL was that RRL had a P3 facility and that plans to develop a P4 facility were scrapped). Basson said that Swanepoel placed RRL in voluntary liquidation – but a final dividend would be paid, "so that the shareholders would at least get something". The highest offer for the facility was R850 000, so RRL was scheduled to go under the auctioneer's gavel over a weekend. Basson claimed that a day or two before the auction, an official from the Department of Agriculture happened to drive by RRL and, seeing the For Sale sign, drove in and asked the price. On being told between R8-m and R9-m, he made an offer to buy the facility on the spot.

Basson said the large number of companies in the WPW Group can be ascribed to the fact that a new company had to be set up each time an asset or interest in a going concern was acquired. Webster, he said took all the decisions about establishment of subsidiaries.

Basson said that SRD was the forerunner of Protechnik, which was the defensive chemical research unit responsible for testing raw materials and protective garments in terms of an



SADF contract. Basson had SADF authorisation to feed the research results – except where these were of strategic importance to South Africa – to the Principals.

#### **Thursday 26 July**

Proceedings began with Basson explaining that Profincor, run by Tjaart Viljoen, was used for "second-level" channelling of funds invested by the Principals. Basson said that when Waag-'n-Bietjie Boerdery [Chance-a-bit Farming] was set up, Basson was one of the "front men" who invested R1 000 in the company and whose name appeared in the shareholders' register. Less than a year later, the money was paid back to him. He said the Principals requested that farms be bought, as they were seeking access to the agricultural sector in South Africa. Basson said this was important to the Principals, because certain fungi and animal diseases occur only in South Africa, and research was to be conducted on the important role they could potentially play in CBW.

Regarding Merton House, Basson said the original request from the Principals was to acquire a high-class guest house for periodic use by guests of WPW. Like the properties in the UK and Belgium, a caretaker would look after Merton House when no one was in residence. He denied ever having a personal financial interest in or intention to live at Merton House.

Basson said the frequent changes in shareholders and directors of companies in the Wisdom Group was to be expected given that all these companies were fronts, and that none of them was ever intended to be commercially viable. Individuals whose names appear in the company records, were shareholders/directors on paper only, and have no bearing on the real owners.

Basson said the Tygerberg Zoo was drawn into the Wisdom Group as a result of the shared objectives of Project Coast and the Principals regarding research into chemical substances such as heavy metals, elements and pheromones. He said Project Coast's research in these fields was carried out at various South African universities, with payment for the work being channelled through Swartklip Products. He said the pheromone research was part of the quest for effective crowd control measures, since certain pheromones can raise stress levels and the first principle of crowd control is to break the cohesion.

Asked if Florida attorney David Webster ever met any of the Principals, Basson said yes. He said that early in 1987, when he arranged that Dr David Chu fly to Orlando to meet with Webster regarding structuring of Medchem Forschungs, Dieter Dryer accompanied Chu. About a year later, Basson also introduced Webster to Abdurazak in a London hotel as "one of my European colleagues".

Basson claimed that he undertook a trip to Iran with Aubin Heyndrickx during which he obtained samples of shrapnel from chemical weapons. He said that during the trip he met a young intelligence officer by the name of Hashemi. Hashemi turned out to be the son of the man who would later be involved in the convoluted Blackdale-Copperdale-Tagell deal.

Testifying about the deal Basson said that by that time, Coast was reasonably far advanced, but ordinary members of the SADF were still largely ignorant about CBW. After a few false alarms, Nieuwoudt called a meeting, attended also by Liebenberg, the Commanding Officer SWA Territorial Forces and Chief of Staff Operations, in Windhoek. Basson said the briefing identified the urgent need to acquire CBW detection equipment, especially since there was "no money to issue NBC suits to Unita as well". Basson said Chemical Agent Monitors (CAMs) were the only appropriate detection equipment for the conditions under which South African troops were fighting. Basson claimed he was ordered to obtain 25 CAMs and 150 wet detection kits, which would be issued at platoon level.

Basson said he already knew that Heyndrickx had access to one or two CAMs. He said the deal was controlled by Dryer and Simon Peurra and Basson understood that they also had people on the Graseby payroll who would help. He explained the delivery of the CAMs took



place in two batches, he had expected the first batch to contain more CAMs, so paid the higher amount, deducting the difference from the second payment. Basson picked up the first CAMs himself, and shipped them to South Africa on a freight aircraft from Luxembourg. On arrival, they were cleared by Armscor's freight agents. He said the second batch were secreted in TV sets and shipped from Heathrow. The wet detection kits were packed in cardboard boxes and shipped by Mole as agricultural test kits.

To the evidence that a CAM cost considerably less than he claims he paid for them, Basson's response is that the need for the CAMs was urgent, and the SADF was willing to pay any price.

Basson said the CBW software/computer programme which is at issue in Charge 7 was a vital component of defence against a chemical attack, which would indicate precisely when protective garments should be donned by troops in the field. He said NATO had developed a computer programme which could offer accurate predictions for a variety of scenarios. He said the data base had been developed at Porton Down in England, while the SADF's engineers had designed an South African topography program, on which Coast could superimpose the CBW data. He said that through "his colleagues" at Porton Down, Buffham obtained the software for South Africa, and was paid £65 000.

He said the CMC was not specifically briefed about this program, as it formed part of the global defensive package. Basson specifically denied that the CMC proposal contained any misrepresentation in regard to equipment mentioned in charges 1 to 6.

On charges 8 and 9, he said the services rendered for which Buffham was paid £40 000, were the periodic supply of information, sensitive documentation, introductions to people who could facilitate future procurement, even the supply of false export permits and "general handling" of agents and spies.

Regarding the large amount of cash (£50 000) handed to Buffham by Patricia Leeson at Heathrow Airport, Basson says Buffham also worked for Special Forces, and was paid through the same channels as Project Coast helpers. He said Buffham was paid in cash for the weapons or whatever he acquired for Special Forces.

On Charges 11-13, the Blackdale-Copperdale-Tagell deal, which is also the first attempt to obtain the peptide synthesiser, Basson said he was contacted by Mole early in 1989. Mole, he said, had been contacted by the Iranian Defence Force procurement agency to ask if he could supply them with a large number of NBC suits. Mole knew about both SRD and Protechnic, and had, indeed, been one of the first major investors in SRD. Mole thus knew that the SADF had a defensive CBW plan, and asked if Basson would talk to the Iranians. A meeting was set up, and to Basson's surprise, one of the delegates was the young Hashemi.

Basson said only then did he learn that Hashemi's father ran Tagell, which seemed to Basson to be a front company for Iranian arms purchases. Basson told Hashemi about the time when he had solved the toxic potato problem in Iran. Basson said he learned that the disease had meanwhile spread across Iran's border into Russia, and that the Russians, in cooperation with the Communist Chinese, had a huge interest in peptide research – the single most dangerous field of CBW research. Basson said that by the middle or late 80s, scientists already knew that man is merely the sum of his natural peptides, and that if a way could be found to control the metabolism of the brain, you could control the human race.

He said CBW laboratories throughout the world were looking at peptide research at the time because it would prove to be useful against AIDS, since even the immune system is controlled by peptides. He said that ideally, a peptide has to be injected in order to cross the blood brain barrier. He also said it was already known that one of the most important peptides was Thymus, the hormone which controls growth and ageing.



Basson said he made an attempt to launch peptide research in South Africa, but that Delta G's scientists had neither the time, knowledge or ability to conduct such advanced research. The CMC, however, ordered Basson to find a place and people who could research the offensive application of peptides. At that time, said Basson, veterinarians were quite far advanced in peptide research, with such conditions as Feline AIDS having long since been identified. Basson said there were, of course, no human test farms in South Africa, but he did go to one in Russia, and was offered 250g of a specific natural peptide. He claimed that later, he calculated that to harvest that amount of the peptide in its natural form, would have required 300 000 corpses – and they must have been in Siberia, since that is the only place one would find so many.

After the initial meeting with young Hashemi, Basson said he asked Hashemi to set up a meeting with the technical people, and in due course, a Russian defector met with Basson in 1989. According to Basson's testimony Project Coast also acquired the services of some Russian defectors at a later stage. Basson said that during talks with the Russian, he realised that the Russians had discovered the use of peptides in CBW, and found that the most effective method of administration was through biological agents. He said he realised that germs could be used to administer peptides, and it did not take long before he also realised that the Iranians had already reached that point.

Cilliers asked why another peptide synthesiser had to be bought, since Delta G already had a peptide synthesiser. Basson said it was because the scientists at Delta G knew nothing of this new field for South Africa. (Lucia) Steenkamp and (Hennie) Jordaan, he said, were good in their field, but this proposed research was way beyond their abilities, and the equipment needed was not available on the open market. The equipment would have to be able to make 30 or 40 peptides at a time, have a built-in analytical ability and be linked to the bio-production process which would create the germs. Elements of the process were computer-driven, and in the early 1990s, general computer capacity was minute in comparison with the military capacity. In South Africa, this was even more the case. A computer was needed with a capacity that was simply not available at the time from any single supplier in the world. It would have to be custom-built by a dedicated research team.

It took Basson between six weeks and two months to get hold of the specifications and gain agreement that Hashemi's people would supply the equipment. He said the question now was how to hide the deal. The Iranians were keen to include their purchase of NBC suits in the transaction. He said Mole advised him that during previous deals, he had learned from Webster to use a performance bond, and this seemed to be a good idea.

Basson said Webster and Mole drew up all the contracts involved in the dual deal. Neither Zimmer nor Van Remoortere was given details, but Basson said they were both aware that an entirely separate deal was hidden within the NBC suit transaction. He said that Webster was drawn in because Mole had told Basson that performance bonds were one of the American lawyer's best financial tricks, and Basson did not want to risk any glitches at the banks. Basson said the arrangement was that as soon as the peptide synthesiser and all its components had been delivered to neutral territory for Basson to inspect, payment would be made in full.

Asked what went wrong with the deal, Basson explained that he learned from Hashemi, that within Tagell there were people – and Basson assumes they included Hashemi senior – who had stolen funds from the Iranian government. The culprits were recalled to Iran from London and the ringleader was publicly beheaded. Basson said he believes the Iranians would have liked to do the same to the elder Hashemi, but Basson then learned from the son that his father was actually a triple agent, working for the British, Americans and Iran, and had even been involved in the Iran-Contra deal with Oliver North. Basson claims he confirmed all this later from US intelligence documents.

Basson said the deal kept changing in regard to exactly what Iran would deliver, and at what price. In the end, all Basson could get out of the Iranians were the probes, which were to be used during the biological process. Later, he established that they were actually of Chinese



origin. He took them because, even if no peptide synthesis research could be done, the probes could be used by the tissue culture research unit at RRL.

Basson said the negotiations between himself, young Hashemi and the Russian defector continued. Meanwhile, Basson also told David Chu what was needed, who spoke to the Russians, with whom he was in contact through Dryer. He said it became the norm that when key Russian scientists went to Switzerland on holiday, they would smuggle out with them 5g of vital CBW cultures/substances, then lodge the contraband with Swiss lawyers to sell which gave rise to a huge black market in CBW.

Basson claimed that Med-Alfa, was a front for the Russian scientists and eventually became a kind of CBW "flea market". He said he knew that Chu had access to Med-Alfa, and Basson wanted the Thymus peptide, which was of vital importance in the treatment of AIDS patients. Chu got the peptide, and soon afterwards, the performance bond balance was repatriated to the account of D John Truter in South Africa. Basson insists that the \$101 000 which Zimmer claims was the first repayment on the \$325 000 loan Basson had advanced during the Blackdale-Copperdale-Tagell deal, was interest earned on the performance bond deposit, and there never was a loan to Zimmer and Van Remoortere.

Asked to explain how \$250 000 of the MCI funds had been used to secure a loan to buy the Jetstar, Basson said he had already received approval for the purchase of the peptide synthesiser through Dryer and the Russians after the collapse of the Iranian deal. The equipment became available unexpectedly, during 1990, while MCI funds were already lying in one of Chu's accounts, waiting to be sent back to South Africa. However, when the peptide synthesiser became available, Coast was experiencing a cash flow problem. The funds set aside for the earlier peptide synthesiser deal had been repatriated, but not kept in reserve for the replacement equipment, and had been used for "something else" in the interim. So it was decided to pay Dryer from the funds which had already been sent abroad. But this was \$2,4-m, as opposed to the original amount of \$3,2-m authorised for the peptide synthesiser, Cilliers pointed out - \$800 000 less than the original price. Basson explained that Mijburgh agreed that since Delta G was not in dire need of funds, the funds that should have gone to MCI could be used in the meanwhile to pay for the peptide synthesiser.

Regarding Charge 15, payment of another \$154 000 to WPW, Basson says he knows absolutely nothing about this transfer.

On Charge 16, he says the purchase of the Jetstar had been discussed for some months with the Principals, who needed an aircraft that could be used for long-haul international flights. When the peptide synthesiser loan was paid off, therefore, the funds were used to buy the Jetstar. He said the peptide synthesiser was brought to South Africa and installed in the two ground-floor laboratories at Speskop, because people outside of Project Coast were to be brought in to do the research. Basson said part of the deal with Dryer was that an operator was to be at his disposal for a year. He claimed that the Mais Corporation in Basel was another Russian front for scientists willing to work as mercenaries, and payment for the services of a Bulgarian had been included in the price for the peptide synthesiser.

Basson said the peptide synthesiser was used for two years. Two brain peptides were made, he said. But in 1992, it became apparent that Coast was going to fall victim to budget cuts, and that the biological component of the project would be scrapped in its entirety. Peptides were no longer a priority – incapacitants were. So it was decided to get rid of the peptide synthesiser. Basson spoke to the Principals, and via Jurg Jacomet and a Swiss colleague of his, the equipment was swapped for 500kg of Product M (methaqualone/mandrax).

Basson said all the methaqualone made at Delta G from 1986 had been used during the first weaponisation effort, which had a "huge" wastage rate. By the end of 1988/beginning of 1989, it was all gone. But Coast was poised to weaponise, with some 100 prototypes on hand, and a ton of Product M was needed urgently to take weaponisation to the pre-production stage. Delta G could make no more methaqualone, as the company was already at the stage of privatisation. The 500kg of methaqualone obtained, Basson said was stored at



the Surgeon-General's headquarters. Some, he said was used for weaponisation, the rest dumped in the sea in January 1993.

But, pointed out Cilliers, the drug destruction certificate states that 1 000kg of Product M was destroyed. Correct, said Basson another 500kg had been obtained from Jacomet in the Croatia deal.

## **Trial Report: Forty-Nine**

**This report covers the period Friday 27 July - Wednesday 1 August 2001**

### **Friday 27 July 2001**

Basson was invited by defence counsel Jaap Cilliers to tell the court about the Co-ordinating Management Committee's decision to accelerate the incapacitant programme. This is pertinent to charges 18 and 19 against Basson relating to the alleged purchase of 500kg of methaqualone (Product M) from Croatia.

Basson said that from the end of 1991/beginning of 1992 it became clear that because of political change, weaponisation of incapacitants was to be fast-tracked, and the target for completion was set at 1994. This, he said motivated the swopping of the peptide synthesiser for 500kg of Product M, since a ton of methaqualone would be needed to take the weaponisation to the pre-production stage. Basson said that the acquisition of BZ, or the BZ variant used by the SADF also had to be accelerated.

Note: BZ (a -hydroxy-a -phenylbenzeneacetic acid, 1-azabicyclo[2.2.2]oct-3-yl ester, 3-quinuclidinyl benzilate) is an incapacitating agent. Approximately 30 minutes after exposure to a BZ aerosol, symptoms appear such as disorientation with visual and auditory hallucinations. The symptoms peak in four to eight hours, and may take up to four days to pass. Other symptoms can include distended pupils, dry mouth, and increased body temperature. The action of BZ on the central and peripheral nervous systems resembles that of atropine. Like atropine, BZ binds to muscarinic acetylcholine receptors.

Basson said that BZ is an alcohol compound which, when ingested, affects "rational emotional actions" in different ways, depending on which variant is used. He gave the example that a victim could become totally passive – a troop might sit down and start reading a book in the heat of battle – or abnormally aggressive, causing a soldier to turn his weapon on his own comrades. Asked by Cilliers why Coast had needed three incapacitants – BZ, M (methaqualone/mandrax) and Baxil (Ecstasy) – Basson said each one was required for a specific use and specific type of crowd control. Security forces could not use the same tactics each time they came up against riots.

Basson said that Project Baxil (the production of MDMA/Ecstasy) was under control, but Delta G was not in a position to manufacture BZ or any more methaqualone, for which basic experimental models for weaponisation had been completed. He claimed to have entered negotiations with the Russians and the Swiss intelligence service for what would be a joint operation in 1991.

Basson claimed that BZ was used by Iraq/Iran, Cambodia and Afghanistan. He also said that a BZ variant tested in South Africa on laboratory animals, had been dumped because it was found to cause "permanent" damage to the test subjects. Basson claimed he has "good reason" to believe that America used a BZ variant against Iraqi troops during the Gulf War.

According to Basson, Project Coast's BZ was acquired through Abul Razak who in turn acquired the raw materials in Hong Kong. He said that 5 tons of BZ were delivered to a warehouse in Basel with the assistance of Dr David Chu. According to Basson, all except 980kg of BZ was weaponised by the SADF between June and December 1992.



Basson explained the deal in which he said Swiss Intelligence and Jurg Jacomet had negotiated for 500kg of methaqualone to be purchased from Croatia. He said that this deal was a small part of a larger deal which he believed involved the Swiss authorities purchasing nuclear material. He said that the methaqualone was flown into South Africa on 23 December 1992. The next day he said he received a phone call from Gen Knobel informing him that he had been dismissed from the Defence Force by order of the President, FW De Klerk.

Basson said in January 1993, he, Ben Steyn and Gen Knobel had briefed the Minister of Defence, Eugene Louw, about Project Coast. Louw ordered that all the incapacitants, apart from the tear gas (CR) be destroyed and that all research be stopped. He allowed for the continued research into the foam delivery of the CR.

Basson said that Louw feared that South Africa might need the chemical agents again in the months ahead and therefore wanted the records and production facilities to be shut down in such a way that the project could be re-activated at short notice, if needed. Basson said he explained that this would not be possible, and that once shut down, it would take years to resuscitate Coast. Louw, said Basson, also issued orders that the existence of CR be denied, "until someone can prove that we have it".

Basson said that at the next meeting of the CMC, a decision was taken that the secrecy surrounding Coast was to be maintained despite the fact that South Africa was poised to sign the international non-proliferation treaty. Since this treaty banned CR weapons, the CMC decided to apply a "technical maneuver". The canisters containing CR would be removed from the shells in which the substance had been weaponised, and stored separately, since the treaty allowed possession of CR, but not in weaponised form. Basson said the CMC's approach was to "play with the truth" – and Basson says he believes this was also the government's approach. He was ordered not to divulge any information to anyone, but to focus on shutting down the project.

Basson said that following Louw's January 3, 1993 instructions to destroy all incapacitants, the CMC met to discuss the implications. A decision was taken to destroy all stocks of products B, M, C (cocaine derivatives), Baxil and V [Note: this is the first time that a substance code-named "V" has been mentioned and no explanation was provided by Basson] as well as a number of CBW mortar bombs and other weapons. Various options were explored, including chemical destruction and fire, and eventually it was decided the best would be to dump the chemicals in the sea. The SA Air Force was ordered to arrange a flight and a military intelligence officer observed the event.

Basson explained that the Croatia deal had resulted in the loss of Project funds. He said that while dealing with the Croats, he had "run into" a Danish "spy" named Hendrik Thomsen who operated in the Ukraine. Basson said it was a well-known fact that Croatia was using the Vatican to fund its war effort, through bonds issued as security for bank loans, which would never be repaid. At some point, Thomsen sought Basson out and told him he had intercepted Banco di Napoli bonds worth \$100-m which were intended for use by the Croats. Basson saw this as an opportunity to sort out his problem and informed the Croats that he would hand over their bonds on condition they paid over the lost funds in Jacomet's account. Basson claims that he was then advised to cash the bonds to make up his loss. So he and Jacomet, along with Thomsen and bonds with a face value of \$5-m, went to a bank in Zurich. The bank was willing to grant a loan, but required security – so Basson offered the Five Nations Golf & Country Club.

Shortly thereafter Basson was captured by the Swiss police for questioning and released the same day. Some time later he was again arrested by Swiss police who had discovered that the bonds were forged. Basson said that while he was under arrest Swiss intelligence warned him that the British and American intelligence services wanted to question him in jail. Basson notified "South Africa" and Christopher Marlow was despatched to Switzerland, and the SADF paid Basson's bail.



A sub-account named "Golf" was opened and the banker informed that as soon as the \$2-m or \$2,5-m was paid into this account, it was to be made available to Basson immediately.

In June, Jacomet was scheduled to go the bank in connection with the bonds. However, he professed to be too busy on the day, and asked Basson to go instead. Basson insisted that Jacomet furnish him with a letter of authority before he took the bonds to the bank. On returning to Jacomet's office he found Swiss police at the premises. Much later, Basson realised that Jacomet and the police had conspired against him and that the entire episode was part of Jacomet's plan to get Basson off his back about the money he still owed.

Basson named Swiss intelligence chief, Peter Regli as having been involved in the deal with the Croats. He said that his version of events was confirmed by Regli in 1994 when Regli came to South Africa to discuss the matter with Gen Knobel.

Cilliers said the court might find it strange that Regli had come to SA to talk to Knobel about this deal and asked why had this occurred. Basson said that when he was unable to get the missing funds from Jacomet, he placed "enormous" pressure on "Regli's people", eventually threatening to disclose everything he knew about the Swiss end of the deal unless Regli set matters right with the SADF. Regli begged him not to expose the nuclear deal, promising he would prevent the British and American intelligence agents from questioning Basson in jail, and would travel to South Africa to set the record straight. Regli, said Basson, kept his word – explaining the situation to both Knobel and General Ernst Nieuwoudt, head of counter-intelligence at the time. Basson was not present at their meeting.

Basson testified about the documents which were recovered in trunks at a colleagues home after his arrest. He said that he does not know how the documents came to be in the trunks and denied that the trunks were his.

### **Monday 30 July 2001**

Judge Hartzenberg ruled that he would allow both state prosecutors to cross-examine Basson setting a precedent in South African courts. His ruling is conditional on both advocates being present in court throughout the proceedings, they may not both cross-examine on the same issues and must decide between themselves who will conduct cross-examination on points which are germane to both the commercial and human rights sections of the case. Albeit with "great reservation", Hartzenberg granted the State request because he believes this arrangement will expedite proceedings, and in the end, that will be to the advantage of the accused.

Basson resumed his testimony in chief by telling the court that "very early" during operations Modular, Hooper and Packer (August 1987-March 1988) reports were received from UNITA about chemical attacks, and from SADF troops about "funny" smoke. Basson said he was instructed by his SADF commanders to "seek donations" for defensive garments and equipment for UNITA since the SADF had limited resources at its disposal for this purpose.

Basson said that in his search for donations to UNITA, he tapped into all his contacts world-wide. Basson said that because of all the help he had given in the past to Abdul Razak, the Arab contacted Basson late in 1989 and said he was willing to make a "large" donation to the resistance movement(s). Basson claimed that the donated suits arrived by sea and were distributed by Armscor. By that time, said Basson, the CBW threat to UNITA had in any event largely disappeared, since the surrogate forces had withdrawn from Angola.

Basson claimed that all documents produced by the State in connection with the sale of the NBC suits are false.

With regard to Charge 20 – personal financial interest in more than 40 companies in the WPW/Wisdom group – Basson said the only two in which he ever had a personal interest were the Aries Trust and Waag-'n-Bietjie Boerdery, and there was no onus on him to disclose



this. He said that the Surgeon-General Nicol Nieuwoudt knew from the start about the WPW Group, and after receiving his initial authorisation for the arrangement, Basson was never again expected to report back to the SADF on it. He said that neither the Aries Trust nor the farming operation had anything to do with Project Coast, and no project funds were involved in either.

Turning to the human rights violation charges, Basson denied ever attending a meeting with Theron, Mr K and General Fritz Loots, which according to Theron's testimony, took place in 1979/80, or attending any meeting at which the elimination of prisoners-of-war was discussed, or being approached by anyone to supply substances for this purpose. He said that any medication he supplied to Special Forces was in the normal course of events or as part of medical support for military operations, or in line with "special" requirements, for example when an undercover agent had to cross a border, he might need tranquillisers to calm his nerves.

He said that on two or three occasions he supplied "disorienting" medication for use during cross-border abductions. He said such requirements would come to his attention during the operational planning stage, and the medication might be administered to a border guard or to the subject of abduction, in order to render him incapable of raising the alarm or opening fire on his abductors. Two or three times, Basson also supplied medication that could be used to sedate an abductee in transit.

Basson said that experiments were being conducted at Delta G Scientific on quick-acting substances that could cause disorientation, such as BZ and piperidine derivatives. This was because substances such as Valium and Ketelaar "took too long" to be effective. Basson claimed he never received a request from anyone for any lethal substances, nor did he ever supply any to anyone.

Basson denied ever visiting the Operational Area with Theron in order to demonstrate how lethal injections should be administered.

He denied ever issuing orders to any of the doctors under his command to supply Theron with any medication.

He denied ordering Dr Kobus Bothma to report to Theron for the operation in Dukuduku (charges 39 - 44).

He denied handing a vial of poison to Phaal at Air Force Base Waterkloof for use at Ondangwa. He said he never gave Phaal anything designed to kill anyone. His diagnosis, based on Phaal's description of what happened to the man in the detention barracks, is that he must have been severely assaulted overnight, or fed pieces of glass.

Basson said he does not know what Theron is talking about regarding the burning of the body in the furnace at Speskop. The SADF had contracts with various funeral undertakers, and if a body needed to be cremated, there were channels to follow. This also applied to patients from Angola, who might die in 1 Military Hospital. There were procedures for returning their remains or ashes to their country of origin.

Regarding the fetus hung at Archbishop Desmond Tutu's home, Basson denied ever requesting one from Andre Immelman for the purpose of intimidating Tutu or anyone else.

He said he has no idea what Theron is talking about in reference to the proposed distribution of poisoned beer at Eastern Cape taxi ranks. He was aware – through his contact with "the generals" - that during the period concerned (August 1991-February 1992) dissident Civil Cooperation Bureau members were engaged in litigation against the SADF, and were threatening to expose covert operations. He also knows that Phaal was a member of this group.



On charge 63, Basson denied ever entering into a conspiracy with anyone to eliminate enemies of the state. At all times, SADF policy was that operations inside South Africa were the domain of the Security Police, and that externally, any operations carried out by the SADF were against legitimate military targets. He said he knew of no "plans" to rid the SADF ranks of members who had become security risks.

Basson said he never gave any substance to Trevor Floyd for use against Peter Kalangula in Ovamboland.

On the subject of special applicators (assassination weapons), Basson claims the SADF Chief had heard that such devices were in use internationally, and ordered him to investigate whether they could be manufactured. Mr Q was placed at Basson's disposal for this purpose and, working from home, produced a range of applicators – screwdrivers, umbrellas and walking sticks with a variety of loading mechanisms. Basson sent the items to RRL for testing on "biological tissue", gave the test results to Liebenberg and also turned some of the applicators over to him. He said he knows of no use by the SADF of such devices, but would have had no moral qualms about their use by an operator on a foreign mission.

Basson said that at some point he was called to the SADF Chief's office and ordered to help the Security Police, who were experiencing problems in relation to incapacitants. Basson decided to introduce three Security Police members – Chris, Gert and Manie – to Immelman, as he had access to all the substances tested for Delta G, and knew the properties of each. Basson was "too busy" to deal with the Security Police, but for security reasons, arranged that Immelman should meet with Chris, Gert and Manie in his office in future. However, Basson claims he was never told what Immelman gave them, or what the intended use was. Basson did not know of the existence of the Sales List, and never saw it before being confronted with it during his bail application. He cannot comment on the contents of the list, except that the items against his own name would have been needed either for Basson's personal research, or for training purposes.

He said that substances that could be used as effective lethal weapons were certainly available – both Delta G and Roodeplaat Research Laboratories made toxins that could cause death "within minutes". Cyanide, too, was available. Basson said he delivered a batch of cyanide capsules to Special Forces. Cyanide, he says, would be far easier to administer, and far more effective as a lethal substance than Scoline or Tubarine. It was far quicker-acting. Given Scoline, for example, a victim could remain alive, though suffocating, for six to nine minutes.

Basson testified about his relationship with Grant Wentzel. He said that at some point, Sol Pienaar, Jerry Brandt and Wentzel set up the company Global Management. Wentzel, he said borrowed money from Basson to purchase his shares in the company. Basson said that during 1996 he and Wentzel saw each other regularly because Wentzel was involved in arms deals and frequently sought Basson's advice. Basson said there were two deals, one with Mozambique, the other with Pakistan. Basson acted as technical adviser to Wentzel.

In late 1996/early 1997, Wentzel became involved in an Armscor deal which he told Basson was for the sale of 40mm grenade launchers to Pakistan, and included the ammunition. Later, Basson realised that Pakistan was merely the front country, and that the weapons would actually go somewhere else. Because of his knowledge of the weapon, Basson advised Wentzel that the only ammunition to buy, would be that of Swartklip Products. Wentzel was anxious about the implications of sanctions.

Basson also said Wentzel would regularly deliver boxes of the wine to him.

Basson said that about a month before his arrest on January 29, 1997, Wentzel had telephoned and they had seen one another. Then, late on the Monday afternoon before the arrest Wentzel called again, dialling direct to the ICU at HF Verwoerd Hospital where Basson was on duty. Basson testified that Wentzel said he had some wine for Basson, the arms deal



was going well, but he had a few things to discuss with Basson about it. They agreed to meet around 6pm at a coffee shop near Brooklyn Circle. When Basson arrived, Wentzel was already in the parking lot.

Wentzel allegedly told Basson he had received a better offer for the 40mm ammunition from South America. Basson said this was not a good idea, and that he was sure the South American suppliers would "tell the Jews" about the sale. Wentzel put two or three boxes of wine in the boot of Basson's car, and they parted company. Basson said the next morning he removed the boxes from his boot and noticed they were not sealed. He opened it further, and saw that three bottles of wine were missing, and that a black refuse bag was stuffed into the cavity. He left the boxes in his garage, and went to the hospital.

During the course of the day, Wentzel called again, to tell Basson he had the money he owned him. Basson, in turn, mentioned that there had apparently been some mistake with the wine. Wentzel assured him the wine was, indeed, his to keep, but that he would fetch the black bag from Basson. They arranged to meet later that day, then Wentzel changed the appointment to 7am on the Wednesday, then changed it yet again, to 9am. Basson drove to Magnolia Dell to meet Wentzel. The two men met and had a brief conversation. Basson opened the rear car door and Wentzel placed an envelope on the back seat. Then they walked to the boot and Basson gave Wentzel the black bag.

Basson says at no time did Wentzel approach him in connection with supplying drugs, and nor did Basson supply him with any drugs at any time. He said he never discussed Delta G Scientific with Wentzel during their association, but since Wentzel evidently threatened Niel Knobel, in the Global Management offices, that he would "tell everything he knew", Basson assumes he must have known about Delta G, and what was made there.

### **Tuesday 31 July 2001**

Anton Ackermann, SC, began cross-examination by asking Basson to tell the court who – excluding SADF generals – he had not misled about Project Coast. No one, said Basson, had ever been misled or deceived in order to capitalise on their disadvantage. The Reserve Bank had been deceived in regard to the true purpose of certain foreign funds and certain information had been withheld from the Auditor-General, but these had not been deliberate attempts to mislead them, merely the consequence of following the SADF Chief's orders to protect sensitive aspects of the project.

Basson admitted that many of the people associated with Project Coast had been misled about the details of the Project. Others he misled are: David Chu, Bernard Zimmer, David Webster, Jane Webster, Charles van Remoortere, Wynand Swanepoel, Philip Mijburgh, Roger Buffham, Patricia Leeson, Jan Lourens, Sol Pienaar and members of the CBW Mafia, who believed he was a businessman, arms smuggler and international wheeler and dealer.

But, Basson agreed, the biggest deception was the 12-year campaign to hide the project from such international intelligence agencies as the CIA and MI6, which he could only have done with the help of the South African government. Basson said European intelligence agencies – including those of Russia and East Germany – had also been successfully deceived. He claimed that from 1982 to 1993, Coast was never compromised or identified by any intelligence agency in the world.

Basson said that he had withheld information from the National Intelligence Agency in accordance with his military orders. Information he had not supplied to NIA included details of the project, the research done, the results of the research, procurement and financial channels used and his contacts with Libya and Eastern Bloc countries. He said that the orders not to disclose such information had been issued by both Kat Liebenberg and later, in 1994, by his successor as SADF Chief, Georg Meiring. Minutes of Co-ordinating Management Committee meetings filed with the court showed that those orders were still in place up to 1995. Basson said Meiring had been aware of his links with Libya from 1988.



Testifying about his information gathering, Basson said he used a direct approach saying it was "easy" to deceive the Americans, and he had no problems obtaining the information he needed.

Ackermann produced a document headed Project Novex, which contains security guidelines for the SADF's CBW project. Basson had never seen the document before, but said on scanning it that it appeared to be fairly recent, since it makes mention of verification teams. Ackermann pointed out that the document also mentions Project Academic, and Basson agreed that it thus most likely dates from the 1990s. The document had been provided by either Niel Knobel or Ben Steyn, said Ackermann. Basson said he could not say that Project Coast security applied the same guidelines.

According to the Novex document, training is provided in the creation of cover stories, which "should only be considered after being subjected to a thorough security investigation, must be as simple and as close to the truth as possible, so as to ensure that undercover agents can both remember and, if needs be, expand on their cover stories". Basson said the document was clearly designed as a guideline for the inexperienced military officer making his first trip abroad. No, said Ackermann, Project Novex had been specifically aimed at supplying guidelines for cover stories for those involved in the CBW project. He asked if Basson would agree that a cover story should include both a credible and realistic explanation for the purpose of the agent's travels? Basson did agree.

Basson had testified that in support of the cover stories of people like Webster, Bernard Zimmer and Buffham documents filed with the court were false, but might contain elements of the truth. He said that there was a stage, while involved with Coast, when he would even have been prepared to lie under oath if necessary to protect the project – and had done so.

Asked by Ackermann when he decided he would no longer lie under oath, even to officers of the court, Basson said it was in late 1997 after consultation with his legal representatives.

Basson testified about his arrest in Switzerland in June/July 1993. He said that he believed the arrest was the result of a conspiracy between Jurg Jacomet, the Swiss police and the Croats. He said that he had taken the Banco di Napoli bonds to the bank for Jacomet and on returning to the office, found the Swiss police waiting for him. The Croats were there too, and he was informed by the police that they wished to question him in connection with the bonds, which were forgeries. He was taken away for questioning and released later that afternoon.

Basson said he returned to Pretoria as soon as he could, but shortly afterwards, was ordered by the CMC to go back to Croatia and Switzerland to sort out the problem of the missing funds. That was when, unbeknown to him, the Swiss police had issued a warrant for his arrest. Basson said the Office for Serious Economic Offences and Knobel knew about the warrant but failed to inform him.

He said it was after his second arrest in November 1993 that he realised a great many things did not make sense. Basson said he "heard" that Jacomet had lied – to him, to Knobel and to the SA military attaché in Bonn. He said it had occurred to him that the arrest was the result of a set-up involving corrupt Swiss policemen. Basson said that during his first interrogation, he told the Swiss police he had a letter stating that the bonds belonged to Jacomet, and that they did not belong to him. He told them nothing else, except that he had merely acted as a courier. The interrogation was in German. He said that his next arrest was on November 29, 1993. Held in Basel over the weekend, he was transferred by prison train to Zurich. This, Basson assumed, was a real arrest, while the earlier experience was merely a brief interrogation. He was held for two or more weeks in Zurich.

In response to a question from Ackermann, Basson said that he had been questioned by the Swiss police about the Banco di Napoli bonds, which had turned out to be forgeries, and the role he had played in trying to cash them. Basson claimed he never read the statement he had made earlier. He said he had a cover story to protect Cost and would have said



"anything" at the time to protect the project. Furthermore, he had been advised by his legal representative not to mention arms deal of any kind. He has no memory now of the cover story he presented. He said he probably told the Swiss authorities he was a brigadier in the SADF, emphasising his seniority without compromising the project.

After confirming that the last time Basson had lied to an officer of the law was on March 22, 1994, Ackermann moved on to the poisoning of Sam Bosch. Basson explained the circumstances surrounding the incident. Ackermann challenged Basson's version of events saying that the medical records revealed that the doctor who examined Bosch had not reached the conclusion that Bosch had been poisoned.

Ackermann questioned Basson about the VABN account. Basson said he operated on the fringes of this deal, which was actually run by Corrie Meerholz (Special Forces operator now deceased) as a covert operation involving shebeens in the neighbouring homelands. Meerholz asked Basson to take care of the money – dirty, banknotes. Viljoen was instructed to open a bank account into which the bags of cash were deposited, and from which withdrawals were made on behalf of Meerholz. This line of questioning led to Ackermann asking Basson about an organogram in Basson's handwriting which had been retrieved from David Webster. Basson said he has "no memory" of drawing this document up, and entered into an argument with Ackermann about whether the bottom half of the diagram, headed FINANCING, is in any way at all linked to the top half. For example, he said, the details listed under FINANCING are not true. Ackermann pointed out that the aspects which Basson claims are not true represent the basis of the entire State case against him.

Asked about an annotation: "KR" on the document, which Ackermann said could refer to Kruger Rands, Basson said that Kruger Rands were an extremely popular form of currency with The Principals, who liked using the coins when they wanted to draw funds for personal use. He said he was involved in five or six Kruger Rand deals on their behalf. He would buy the coins and give them to the Principals, or they would give coins to him to sell and he would give them the cash. The maximum number of Kruger Rands he handled at a time would be between 100 and 200. He said he bought the coins in Europe, mainly, where they are cheaper, and gave them to The Principals, or asked Zimmer to make purchases. He cannot remember how many times he asked Zimmer to do so – Zimmer had testified about one deal only, but it was actually probably about three. He said he gave the Kruger Rands to Abdul Razak.

Basson also testified about the castle at the Five Nations Golf & Country Club at Mean, in the Ardennes, which featured a bomb shelter and a labyrinth of secret tunnels. This said Basson was owned by "a well-known Arab arms dealer" and the tunnels offered endless enjoyment to visitors. The custom was to "play around" in them after sundowners. Basson said he had suggested that this property could be a great asset to various intelligence agencies. After spelling out the potential of the property to Gen Kat Liebenberg (since deceased) he was told to go ahead and get involved.

He said the property was ideally situated from an intelligence point of view – at a point where the borders of five European countries meet, hidden in a forest, yet linked to the outside world by technology. Agents would not only have been able to operate from there in safety, but would be able to keep fit by running through the forest, and the terrain was perfect for training exercises. SADF agents from both Military Intelligence and Special Forces would most certainly also have made use of the facilities, but the property also offered ideal accommodation for the Principals. Liebenberg is the only person Basson can name within the SADF who knew of the plans for the Five Nations Club. Basson was told Liebenberg would "handle the SADF" side of things, and Basson was to go ahead and do the rest. Plans by the SADF to use the property fell victim to political change, and as soon as the property was identified by the media, the Principals simply "walked away" from their investment, on the grounds that it had been compromised.



Basson was asked when had he first met the CBW Mafia. He said it was in 1984, but that he did not really get involved in their meetings until 1986. Before going on his staff course for the whole of 1985, he attended only a few of the CBW Mafia meetings.

He said the CBW Mafiosi saw him as a businessman, sanctions-buster and arms dealer. He said he met Blucher first, and was gradually admitted to the inner circle. The few meeting he attended in 1984 convinced him that the group was extremely valuable. During 1984, he also met Russian, German and Chinese members of the group – but he could not recall their names.

Basson testified that since Blucher was in the business of manufacturing defensive NBC equipment, Basson was introduced to the group as a buyer of such gear. Meetings were held at different venues each month. The first meeting Basson attended was at the Hotel Barolac, on Lake Zurich. He also remembers a meeting at Blucher's home in Muren, on the way to Interlaken. The Principals were not present at any of the three or four meetings Basson attended in 1984. Meetings Basson attended during 1986 were held at Blucher's office in Dusseldorf, France, Marbella and Germany. Whoever was invited by Blucher, was in attendance. Asked to name fellow Mafiosi, Basson named Dreier, Razak, Peurra and Virobyov whom he thinks he first met in 1984, but it could have been as late as 1986. He also named Chong, who was also in the group from 1984.

The Principals had chosen Basson to entrust with their not inconsiderable funds because "Blucher endorsed me", said Basson. Blucher (since deceased), Ackermann established, was a very wealthy industrialist, specialising in defensive CBW and other military equipment. Basson said Blucher was an industrial giant, whom he claims was a descendant of (Marshal Gebhardt von) Blucher, who played a decisive role in the defeat of Napoleon at Waterloo. Basson said that after the war, Blucher was taken to America along with Werner von Braun – a family member, as it happens – and only returned to Europe in 1950, to build the family fortunes anew. Basson said Blucher had factories "all over", including one in Israel, which Basson visited.

Basson said Derek Griffiths had introduced him to Blucher, in Dusseldorf. On his next visit to Blucher, Basson took Lothar Neethling along, and the two formed an immediate bond. He said that when he first met Razak, Basson saw him as a Libyan intelligence agent engaged in a CBW programme. Only some years later did he learn that Razak was a colonel. They met a couple of times in Tunisia as well as in Libya itself, where Razak was "clearly at home". Basson told Razak he was a South African sanctions-buster. Basson said Razak's sphere of operations was the US, South America, part of Europe and, later, Southern Africa, where he was both a businessman and intelligence agent attached to the Libyan Directorate Special Tasks. In time, Basson learned from Razak's superior that his job was very similar to Basson's own.

Basson said Project Coast procurements in which Razak played a role were the purchase of BZ, equipment for the Speskop laboratory and the peptide synthesiser. Mechanical equipment for the project was chiefly supplied by the Germans, but Razak made it clear that he could supply chemicals through Libyan front companies all over the world. He said the BZ, for example, was obtained through Pharma 150 in Hong Kong.

Asked if Libya had no qualms in 1986 about supplying the SADF with equipment to combat the CBW threat posed by the Russians, Cubans and Angolans, Basson said he would never have told Razak that he was buying CBW equipment for South Africa, or that he was an SADF officer. Blucher knew that Basson was a military officer, and that Neethling was an SAP general. No one else within the CBW Mafia, however, knew that Basson was a member of the SADF. A few might have thought he was a policeman, however, as this was one of his facades.

Roger Buffham, said Basson, worked for the East Germans, and as an ex-British secret service member, "stole their secrets" and sold them to Basson. When he retired, Buffham set up his own business, and operated as a double agent. Basson was originally given Buffham's



name by Dreier, then found the Englishman was already known to the SA military attaché in London.

### **Wednesday 1 August 2001**

The first thing Anton Ackermann put to Basson was that CBW proliferation, particularly in regard to states such as Libya and Iraq, was an extremely serious crime. Basson claimed this was not the case when was dealing with small amounts of substances, and said this was only the case since 1989.

Basson said he had "no idea" what the 1995 demarches were about, except that Britain and the US insisted they wanted to know from President Nelson Mandela what Project Coast had entailed. Basson's feeling was that these two countries actually did not want the information to "end up in the hands of the ANC".

Ackermann said that Blucher, a man steeped in the defensive CBW industry, must surely have known how sensitive CBW is, and the members of the CBW Mafia must have trusted him implicitly. Basson agreed saying that the members were all handpicked by Blucher himself.

Asked whether among the members, there could have been at least one who was a spy? Basson said agreed. Basson "has no idea" which intelligence agency Dreier was working for, but says both he and Abdul Razak attended CBW Mafia meetings in their official capacity, as far as he knows. But surely, said Ackermann, the members were running a huge risk of exposure? What about the risk to Blucher himself? The supply of technology through members played only a small role, said Basson. The meetings were mainly a forum in which information on developments in the CBW field could be shared.

Asked whether, as a trained agent, Dreier would have tried to establish the bona fides of the newcomer and take steps to find out who Basson was, and if he really was an arms smuggler and sanctions-buster? Basson said Dreier never questioned him, so Basson assumes he must have accepted he was who he said he was.

Asked for his definition of a Principal, Basson said a Principal is someone who issues financial instructions and makes the decisions on how funds are to be distributed. In retrospect, he came to realise that Blucher never was The Principal, since all such instructions were issued by other people. Basson named the Libyans in the groups as being Achmed Hasnavi, Abdul Tawil and Ramadan Interis as technical people. Much later, in 1988/89, he also met Yusuf Murgham – after WPW had been set up in the Caymans for the Libyans. The Libyans also used cover stories as businessmen, and Basson accepted this.

Basson was asked in which of the charges against him, Libyans were involved. He said there had been joint projects, in which the Libyans and the East Germans were involved – along with companies like Japan Steelworks and Transtechnic Muller. After some deliberation Basson said that the only Project Coast transaction in which the Libyans were directly involved, was the purchase of BZ – which is not in the indictment but which Basson claims explains the expenditure in Charge 18. Basson also said that certain "cultures" in which peptides could be grown had also been supplied by the University of Tripoli.

Asked if Basson could give an accounting to the Libyans/East Germans/Russians on how much money they had invested in South Africa, he said he did not know the answer but speculated that it could amount to about R20 million.

Basson said he was authorised to pass information selected by himself "and the government" to Razak and Murgham about the defensive CBW programme. Basson claimed they were interested in the results of the Protechnic research, as this company had developed technology that Basson said was unique in the world, since no simulants were used during tests.



Asked what he had to say about Libya's support for the terrorists who were identified as the SADF's enemies at that time, Basson said the South African government had been identified as "one of the biggest terrorist organisations in the world". But said that was not his problem.

Ackermann questioned Basson on his version of events as he described in his bail application hearing shortly after he was arrested, in an attempt to find discrepancies between his versions. He also asked Basson about his relationship with Sol Pienaar and Yusuf Murgham. He testified that he had visited the Mandela home on a number of occasions with Pienaar.

Basson claimed Knobel knew of his contact with Libya, but has no idea exactly what Knobel knew. He said he had provided details once only of the plan to deal with the Libyans/East Germans/Russians, and "assumed" that Knobel would have been briefed accordingly by his predecessor. Basson said he told Knobel nothing himself about the Libyan connection, because Knobel "did not want to know". Basson said he never briefed Knobel on any of his pre-1993 contacts with Libya.

When debriefed by NIA in January 1994, Basson said, he deliberately misled NIA, because those were his orders. It did not seem to him that NIA wanted to know anything about his Libyan links, and he was asked no questions about Murgham. When he told NIA he had met Murgham through Pienaar, and that their dealings were of a purely business nature, it was a lie, in line with his orders. He did not reveal his much earlier contact with Murgham, as this would have been "sensitive" information. He said he also lied when he told NIA that he saw Murgham as his passport to business contacts in Libya, and that although Murgham might earlier have been linked to intelligence work, he was now nothing but a businessman.

He said it was true that he told NIA – when asked if Nelson Mandela was to play any role in these business deals – that he hoped to put Mandela and Ghaddafi together. That related to the Lockerbie situation, and from time to time, Basson said he met with the Libyan Foreign Affairs Minister on the same matter. Basson testified that the SADF had played a role in getting a letter from Ghaddafi to visiting British prime minister John Major, in which Ghaddafi proposed that Mandela be appointed to mediate in the Lockerbie affair, and undertook to abide by any proposals Mandela might make in order to break the deadlock.

Ackermann asked why Basson lied to the NIA instead of telling them that certain information was too sensitive and that he was not at liberty to disclose it. Basson said how he dealt with NIA in the context of his orders, was entirely up to him: "I was not a corporal, I was a brigadier."

Asked what role he had played in answering questions by the Parliamentary Sub-Committee on Public Finances in 1996, Basson said that a committee had met and decided what answers would be given. He said the meeting was attended by the SADF Chief, Chief of Staff Finance, Chief of Staff Intelligence, and others. He said the Official Secrets Act was firmly in place and it was decided that full details about Project Coast would not be disclosed, specifically in respect of sensitive aspects. He said he had no memory of any specific questions he was required to answer.

One of the questions, said Ackermann, was: On what dates did Wouter Basson travel to Libya, what was the purpose of his visits and did he meet Colonel Ghaddafi while he was there? And the SADF answer had been: At the time he visited Libya, Dr Basson was not employed by the SADF or engaged in SADF business. He travelled to Libya as a private citizen, and the SADF has no knowledge of the purpose of his visits or who he met. This was not true, said Basson, he was paid by the SADF throughout – from the time he was dismissed, until he was reappointed. [Note: Knobel previously testified that Basson's contract expired on March 31, 1993, and his reappointment was in October 1995.

## **Trial Report: Fifty**

**This report covers the period Thursday 2 August - Thursday 9 August, 2001**



**Thursday 2 August 2001**

The cross-examination of Dr Wouter Basson on the fraud-related charges continued. Cross-examination is being conducted by Anton Ackermann SC.

Ackermann asked Basson what he had to say about American attorney, David Webster's contact with the Principals in the light of Webster's testimony that he had dealt at all times only with Basson in connection with the WPW Group's business deals, and that as far as he was concerned, Basson was a wealthy international businessman.

Basson said that Webster's testimony was incorrect, and that Webster knew from the start that sensitive security force matters and money-laundering were at the heart of the front organisation. Basson said the Principals never gave him any indication that they were in direct contact with Webster. If they were, and did not tell him so, it would have been because he was "not in the loop" and did not need to know about such contact, and he would thus not have expected the Principals to keep him informed about their communications. The whole purpose of setting up the front organisation as he had, was to isolate the Principals, and it might even have been risky for them to contact him at times.

Ackermann asked Basson what Webster would have known about his sanctions-busting business deals. Basson said he would not have told Webster the details of any deals, as this would have been a serious security breach. He said that an exception was the purchase of the Jetstar which was a sanctions-busting deal that Webster knew of. Basson said he told Webster nothing about the purchase of equipment for the Speskop laboratory, the CAMs, the proximity fuses, chemicals or the peptide synthesiser system.

Asked whether Webster knew, or knew about, Herr Blucher, Basson said yes, Webster knew about Blucher because at the beginning of the operation, Basson had discussed Blucher with Webster. Wilfred Mole may also have known about Blucher at some point, but Basson has no recollection of discussing Blucher with him. He would probably not have told Webster about the CBW Mafia, or that Blucher could be of help in contravening sanctions. Basson has no idea if there was ever any contact between Webster and Blucher. Basson said that by 1990, he had realised that Abdul Razak was the main player in the front organisation.

Asked about the answers supplied to a list of questions posed to Knobel by the Office for Serious Economic Offences, Basson said he could not remember if he played any role in compiling the answers given to OSEO in 1994 by Niel Knobel about specific individuals. He said he had "probably" made some contribution to the responses, but from 1992, OSEO had asked many questions, and he could not remember who answered them.

OSEO had asked questions about the role of several individuals in Project Coast, such as Blucher, said Ackermann. Knobel's response was that Blucher had played a specific role in the transfer of technology to the SADF, but that the matter was too sensitive for him to expand on. He could, however, assure OSEO that no contracts had been awarded to any of Blucher's companies, and that no project funds had been paid to him. Basson said that Knobel's response had been in line with a decision of the SADF's General Staff.

Asked if one could deduce from Knobel's response that in fact, he was in possession of more information (about Blucher) but refused to give it to OSEO, Basson said he did not know because he never briefed Knobel about the WPW Group or any related matters, as Knobel's predecessor should have done so.

[Note: While not a rule, in practice, General Staff appointments tend to have an average duration of three years. From 1986 to 1994, therefore, the Co-ordinating Management Committee of Project Coast must have seen at least three sets of promotions/changes. Three members constituted a CMC quorum which implies that a minimum of nine different SADF officers served on the CMC at some point during the time in question. According to Basson,



he did not brief any of these people about the WPW Group or any of its activities, because he assumed that each newcomer had been briefed by his predecessor].

Questioning about some of the companies which appeared on an organogram which provided details of the relationships between companies led Basson to say that many of the documents about the company structures were false.

### **Friday 3 August 2001**

The day began with questions being put to Basson about his relationship with former SADF Chief, Gen AJ (Kat) Liebenberg (now deceased). Basson told the court that Liebenberg had been aware of the WPW group of companies and had given Basson 'private' orders on a number of occasions. Basson said he was not able to tell how much Gen Knobel knew about his activities.

Asked when he had realised that Knobel did not know about the WPW/Wisdom groups and how they were used to the benefit of the SADF, Basson said he had still not come to that realisation, despite remaining in touch with Knobel until 1996. Basson reiterated that he had no duty or obligation to inform anyone, after 1986, about the WPW/Wisdom operations or acquisition of assets, "because it was not the SADF's money".

He said that assets bought and facilities established in South Africa had been the result of instructions issued to Basson by Abdul Razak, Dieter Dreier and Verobyov. Dreier had ordered the establishment of (Roger Buffham's company) Contemporary Design Systems and Medchem-Forschungs, Razak had "probably" wanted the cottage at Warfield and the condominium in Orlando, Florida, had been bought at the behest of Razak and Dreier. In answer to questions about the luxury Merton House development, Basson said it had been purchased at the request of Razak and that Webster had assisted in choosing the property. Basson said it was intended as a guest house for use by the Principals.

Following a series of questions about the SADF and OSEO probes into the purchase of Merton House, Ackermann concluded from Basson's answers that in 1992 Knobel was completely unaware of how Merton House fitted into the picture and knew nothing about Razak, any "hijacked" front organisations or any Libyans. Basson reiterated that he did not know what Knobel knew.

Most of the questioning for the rest of the day focussed on the answers supplied to the OSEO in response to a number of questions posed to Knobel. The state argued that Basson was the author of the answers supplied to OSEO about companies which the state argued Basson had a beneficial interest in. Basson did not concede to having answered the OSEO questions but did say that he had been consulted by Knobel during the process.

### **Monday 6 August 2001**

Basson was asked to explain an affidavit that he had prepared, apparently to support David Webster's refusal to assist the Office for Serious Economic Offences in their investigations. Basson said that he was unable to remember having made the affidavit. In the affidavit Basson denies having "at any time had unexplained wealth".

The affidavit states: "I [Basson] am at present a highly qualified cardiologist and a highly valued member of the SANDF. Since qualifying as a medical practitioner and entering the SADF at the age of 26, my remuneration has been far above the average for my peers. This was due to the specialised nature of my qualifications and work. For most of the time I was earning more than the Surgeon General. It must also be noted that I had (with permission) a lucrative private practice and consultation business in which I developed and marketed certain products."



Asked in court to explain these claims, Basson said he had "probably earned more than the SADF Chief since the age of 25". He said he "lived well" and earned a "great deal" from his private practice, set up in 1990. He could not, however, identify which of his several bank accounts was used for the "good pocket money" of between R6 000 and R7 000 a month which he earned in his private practice. He also said that he had acted as a consultant to one or more pharmaceutical companies, he was however unsure as to whether these consultations had taken place prior to, or after 1993. The companies he can remember working for in this capacity are Bristol Myers and Mead-Johnson, but, he said, there were other companies too.

In the affidavit, Basson admitted that he did benefit financially from "certain payments" from the Wisdom Group. In court, he said this could only have been included in the affidavit in order to explain payments made to him from the Regent International Trading Services account. In the affidavit he also admitted having served as a director of Wisdom Investments & Properties "in the early stages" and said his former Commanding Officer, Gen Nicol Nieuwoudt, was aware of this.

Questions to Basson about some of the companies in the Wisdom and WPW groups led Basson to inform the court that he had not received any financial compensation from the Principals in exchange for the assistance he provided them.

Detailed questions about some of the front companies and their relationship with Basson and others associated with Project Coast were asked. In answering these questions Basson indicated that WPW held 50% of Protechnik (the company responsible for defensive CBW research) which was one of the companies which was established with funds from the Principals. The other companies financed by the Principals were Systems Research and Design and Lifestyle Management, said Basson. He said that the Principal's shares in Protechnik were later bought by Medchem.

### **Tuesday 7 August 2001**

Basson again denied that he was involved in compiling a document headed "Background to the WPW Group" which was retrieved from Florida attorney David Webster's files.

Anton Ackermann then turned to the attempt to purchase the Fancourt golf estate near George. Basson said he had nothing to do with the deal, which was put together by Philip Mijburgh and Mike Scholtz in the wake of the Masterbond debacle. Basson said he was aware of their plans, and discussed various ways of financing the deal with them, but his involvement was purely peripheral. At some point, he became more directly involved, negotiating the use of TransAmerican Securities (TSI) bonds as security for a foreign bank loan. Basson said Bernard Zimmer became involved when he asked Zimmer to look into the possibility of a foreign bank loan, and Basson cannot remember what role Webster played, but said it might have been in connection with the TSI bonds.

Basson said the purchase of a single lodge at Fancourt was a separate deal, and had nothing to do with the bid to acquire the entire estate. The lodge was bought by the Wisdom Group for Basson's "financial principals". Basson said the lodge was to be a safe house and investment for the Principals.

Christopher Marlow had testified, said Ackermann, that he and Philip Mijburgh spoke to the Fancourt liquidators in Cape Town, and were set to buy the estate for R40-m, even though it was valued at R150-m. Despite the low price, funding was a problem, but according to Marlow, financing was to be found by Mijburgh, Bernard Zimmer, Basson and Scholtz. Basson said that one of his British banking contacts had given him a referral to TSI. The Libyans, he said, could not buy the entire estate, as a large development such as Fancourt was not suitable as a front since one could not control who lived there.



Ackermann said that according to Marlow, both TSI and Banco di Napoli bonds had been used in the bid to obtain a bank loan for Fancourt. Yes, said Basson, around the time he acquired the Banco di Napoli bonds, it was useful for his cover to be able to include certain golf developments among his interests. He said only the TSI bonds were to be used for the Fancourt deal. While looking into how he could use the Banco di Napoli bonds as a means of recouping the SADF's lost funds in the Croatia deal, he used the golf developments as a front. Zimmer also used them when dealing with the foreign banks, and Marlow could have been aware of this. Basson had been advised that when presenting security to banks in Luxembourg, it was advisable to offer as wide a portfolio as possible, but he never told Zimmer to use both sets of bonds in order to seek a loan for the Fancourt purchase. He doubts that Webster knew anything about the Banco di Napoli bonds.

Ackermann put it to the witness that Marlow had testified that while staying with Basson at the cottage in England, Basson had left to attend a meeting at the Meridian Hotel with one Thomsen, in connection with the bonds to be used for the Fancourt investment. Basson disputed this, he doubts that Thomsen would ever have been in London. Basson described Thomsen as a 'shady Danish secret agent who worked in Jurg Jacomet's office and was probably involved in the Swiss intelligence service's bid to obtain nuclear material as part of the Croatian deal'.

Asked about the house bought in the up-market suburb of Lynwood Ridge in Pretoria which Antoinette Lourens lived in, Basson said that it was another case when the needs of the Principals had coincided with his needs. The Principals, he said required a safe house and at the same time Lourens had been seeking accommodation. He said the gifts he gave Lourens, including a gold chain, Cartier wristwatch and designer suit were "nothing unusual" and that he was single at the time.

Basson said there anything exceptional about the first-class flight to London taken by himself and Antoinette Lourens. He claimed it was "standard practice" for Lourens to travel first-class when she accompanied Basson on work-related trips. Her duties included sending instructions to Roger Buffham from a hotel in Switzerland for certain fund transfers. Regarding the first-class ticket for Lourens's younger sister, who was staying with her when Basson needed to travel to Europe, he said her presence could only add to his credibility. Basson testified that the purpose of the trip was for him to test-fly a Beechcraft in which The Principals were interested, and by taking along Lourens as his "very personal" assistant, and her sister, he was able to create a "family" image in keeping with "the people who move in those circles". Basson said the Principals paid all the travel costs, including the sister's airfare, and the three travelled like VIPs, being swept through customs at each stop, which allowed Basson to move a pile of sensitive documents. Basson said when they took off in the UK for Europe, it was from the same airfield used by the royal family.

Ackermann said he was puzzled by a few things. Why had Webster not asked Zimmer to service the Medchem Inc account in Switzerland through which, according to Basson, the money of the East German principals was to be channelled? And why did the Principals not use Dr David Chu to launder their money? He was already working for them, after all, and was apparently something of an expert in the field. Why had The Principals sought out Basson – a complete novice at the game - to launder their money? Basson said he suspected it was "because I was a good source of stories – and you need good stories to launder funds". He said the Principals knew he was a South African, but he claimed that even though South Africa was a pariah state at the time, he had considerably more freedom of movement than the Principals.

### **Wednesday 8 August 2001**

The prosecution focussed on the Blackdale-Copperdale-Tagell deal which allegedly involved the sale of NBC suits. Basson said he did not know if Zimmer and Charles van Remoortere needed \$3,2-m in order to close the Blackdale-Copperdale-Tagell NBC suits deal. He said he needed that amount for the peptide synthesiser, and instructed David Webster to draw up a contract in such a way that this acquisition would be hidden in the deal. Basson said Webster



was aware that this was a sanctions-busting exercise, though not that a peptide synthesiser was involved.

Shown the minutes of a Blackdale meeting in May 1989, Basson asked Anton Ackermann to indicate where this meeting had taken place, as "several" meetings in connection with the deal had been held in Thailand. This particular meeting, said Ackermann, took place in Luxembourg.

Basson explained that the original amount of \$3,2-m was eventually reduced to \$325 000 because that was the price of the RNA/DNA probes. He said he does not know why Zimmer reported the theft of this amount to the British police, but acknowledged that Zimmer told him at the time that he intended doing so. Basson said he had "no problem" with Zimmer's action, as he would "never again have used the Hashemi channel". In retrospect, said Basson, he made the right decision, because nothing happened to Hashemi as a result. Basson said Hashemi was only arrested for fraud seven years later, in 1995, after Basson informed MI6 who was involved in Tagell.

Details of various transactions were the subject of further questions by the prosecution. Ackermann said that bank records show that in April 1992, \$2,46-m of the Roodeplaas Research Laboratories cancelled contract fees was paid into the WPW Geneva account by Blackdale, which had received the amount on February 24. Basson explained that this was used to pay for the BZ acquired through the Principals.

Asked about his marriage to Charles van Remoortere's sister, Claudine, Basson said it was merely a marriage of convenience to enable him to obtain a Belgian passport. He said Claudine's benefits included that she received a place to live, a monthly income and the use of a car. The two Belgian apartments were bought by WPW but, said Basson, Claudine's monthly payments were made by Military Intelligence's Directorate Covert Collection (DCC). Basson said Claudine had entered the picture in 1987 as the result of an arrangement by Lothar Neethling and himself. He said the Co-ordinating Management Committee had then arranged with DCC that she be paid as an informer. All WPW did was buy the apartment in which she lived, and pay the maintenance costs. Basson said the only people in the SADF who had known about the arrangements were the SADF Chief [in 1987 this was Gen Jannie Geldenhuys] and DCC head Brig. "Tolletjie" Botha (now deceased).

Ackermann produced a letter from Basson to Zimmer instructing him, as a matter of urgency, as soon as the proceeds of the apartment sale became available, to pay 6 000 Swiss francs to Mont Fleury, and to specify that this was payment for Naomi Basson, his daughter. Mont Fleury was a finishing school which she attended for six or 12 months. Basson said the fees were paid by the Principals. He said his daughter went to Mont Fleury as a "chaperone" for the daughter of one of Razak's colleagues, and spent the entire year "washing the Arab girl's clothes". "Those people", said Basson, "can do absolutely nothing for themselves."

But in June 1994, Ackermann pointed out, WPW was in serious financial difficulty. Perhaps so, said Basson, "but they still had to meet their obligations" and he was still involved with winding down Project Coast. Basson claimed to have been paid until "late 1995" to do so, as it takes a long time to debrief agents and dismantle a front organisation.

Ackermann asked Basson about "Operation Banana". Basson claimed that Operation Banana was an official sub-project of Coast, and had been fully audited as such, to the satisfaction of Petro Theron. He said it entailed the smuggling of Cocaine hidden among bananas from South America. Ackermann asked if David Chu had known that the \$120 000 he lost on what he thought was a legitimate banana export deal, was sacrificed as part of a cocaine smuggling operation for the SADF. Basson said yes, it was Chu who arranged the transport. He added that Wally van Heerden of the Auditor-General's office had been present at a CMC meeting where the plan was laid out. Basson claimed the 80kg of cocaine were destroyed along with Project Coast's other drugs in January 1993 [Note: the documents detailing the destruction of agents only lists 30kg of Cocaine as having been destroyed]. Basson said the Cocaine had been bought in Peru, and he had orchestrated the deal from a base in El Paso,



Texas. He said the plan to ship the cocaine with a consignment of bananas had been Chu's idea. Chu arranged that the ship dock in either Rotterdam or Antwerp, where the drugs were removed. Later, the cocaine was transported to South Africa in the Jetstar, flying from Ostend.

Basson said the cocaine was to be used to develop a piperidine derivative as an incapacitant, but the idea was never pursued. All costs involved were paid through Chu, although the Principals were not involved at all.

Ackermann asked who was involved in the cocaine deal. Following an objection to the question by Basson's defence attorney the Judge said Ackermann was demanding names, despite the fact that the accused's life was already in danger, and the lives of others could be endangered as well. He asked why Ackermann would want that information. Ackermann said he believed this was 'another of Basson's flights of fancy'. Ackermann said the court seemed to believe that Operation Banana (Piesang) was a clandestine deal to bring cocaine into South Africa under the guise of a banana deal. But Chu had testified that there was nothing more sinister involved than the bananas themselves. But what would the State argue on this point, asked the judge who said, after all, "we know what Chu was".

Ackermann said he was surprised that the court could ask him such a question at this juncture. He asked why nothing about cocaine had been put to either Chu or Wally van Heerden under cross-examination. Ackermann said if anyone was worried about possible repercussions of these details being disclosed, the court could order that the testimony be heard in camera. The judge concluded that he would not allow Ackermann to elicit the names of anyone or any contacts involved in Operation Banana (Piesang).

Ackermann moved on to charge 18. Basson confirmed that the Chu-PM Trading account was used by the Principals to launder funds. When R17,5-m was moved to Van Remoortere's account in Basel, said Basson, the BZ had already been acquired. Asked by Ackermann if Basson had taken into account the possibility that Van Remoortere might expropriate the funds in his account. Basson replied that "I had control over Van Remoortere's wife and children, which means I had total control over him. I had no fear that he would take money he was not entitled to." Asked what he meant, Basson said it had been a senseless joke he made.

Ackermann requested, and was granted an adjournment until Monday 13 August.

## **Trial Report: Fifty-One**

**This report covers the period Friday 10 August - Thursday 16 August, 2001**

The court was adjourned on Wednesday 8 August and resumed on Monday 13 August 2001.

### **Monday 13 August**

Picking up where he left off last Wednesday, prosecutor Anton Ackermann again put it to Basson that he was signatory to numerous foreign bank accounts used to channel Project Coast funds, about which auditor Petro Theron knew nothing.

Basson claims that when the Office for Serious Economic Offences was assured in a written response to various questions in January 1993 that he had no signing powers on any bank accounts not authorised by the SA Defence Force and/or SAMS, this referred specifically to the South African situation. Ackermann disagreed saying he believes this illustrates Basson intention to deliberately mislead. Ackermann said he believes Basson misled Theron, who would have been furious if he had found out about the bank accounts on which Basson had signing powers.



Basson said he had never misled anyone to their detriment. He denied having misled Theron, OSEO or the SADF Chief about which accounts he had signing powers on.

Ackermann questioned Basson about his involvement in the Wisdom Group of companies, particularly why Basson was listed as chairman of the company in 1991. Basson explained that he had made use of the Wisdom front companies as his cover when travelling abroad. He said he could fill his briefcase with documents pertaining to a company from the group when he made a trip abroad to ensure his cover.

Ackermann listed the dates on which Basson chaired ten meetings of Wisdom Holding, from August 23, 1990 to September 26, 1991. Subsidiaries such as Partners in Travel, Aeromed, Waag-'n-Bietjie Boerdery, Tygerberg Zoo, Namibia Aerospace (of which he has no recollection) and Lanseria Aerospace were discussed at the meetings, and Basson served as a director of most of them. Ackermann asked why Basson had not disclosed this to Gen Knobel.

Basson's response was that "the people" in the SADF whom he needed to inform, were aware of Wisdom Holdings and Wisdom Investments and Property (WIP). Ackermann asked why, when OSEO questioned Gen Knobel in December 1992 about Basson's involvement with Intramex, he had not been told that WIP was the sole owner of the company.

Basson explained that Intramex was an SADF front, not a Project Coast front, and it was used by Special Forces, the South African Police and Chief of Staff Intelligence. Basson said that no Coast funds had gone through Intramex, and that Gen Knobel knew that the company was an SADF front, set up to serve the needs of "various" members of the Co-ordinating Management Committee in, for example, the weaponisation of CR for the Army. Ackermann pointed out that Intramex cheques had been used to finance the purchase of Merton House. Basson was unable to explain why these funds had been used.

Asked about the purchase of a small apartment in Pretoria for use by Patricia Leeson, Basson said that the flat had been purchased on behalf of the Principals who, he said, required a safe house. The needs of the Principals and those of Leeson could be accommodated through the acquisition. Ackermann disputed this version of events.

Ackermann asked Basson about the purchase of farming enterprises. Basson said that the farms were needed to allow the Principals access to the agricultural sector, including the chemicals, cultures and conferences available, as well as to diseases endemic to South Africa. Basson said that as it grew, the farming operation was placed under control of Wisdom Holdings, because the farms also served as perfect safe houses for the Principals who spent R2,3-m on the operation, but never actually visited the farms, as far as Basson can recall.

Asked why Gen Knobel and the Office for Serious Economic Offences had been told that the farms had no connection with Project Coast. Basson said that he had no reason to inform Gen Knobel that the farms were part of the front organisation set up for the Principals. He said the people in the SADF who needed to know, knew. Basson claimed that Gen AJ (Kat) Liebenberg used the facilities on two occasions. He said that the benefit to the Principals was that Abdul Razak was able to purchase "huge" supplies of agricultural chemicals and attend numerous agricultural conferences. Basson said that his brother-in-law had purchased one of the farms when he was winding down the business of Project Coast and that he had paid for the farm with money he borrowed.

Ackermann drew on the testimony of Gen Witkop Badenhorst to show that the checks and balances with regard to Project Coast funds had fallen away when Military Intelligence stopped being the issuing authority for the funds. Basson disputed Badenhorst's testimony.

Judge Hartzenberg intervened to ask Basson what had happened to the cocaine which Basson claimed had been imported during Operation Banana. Basson replied that the cocaine which remained after weaponization tests had been dumped in the sea. He also said



that he had held a demonstration in the field in front of the Special Forces Headquarters buildings at which four mortars were fired: one each containing BZ, Methaqualone, MDMA and cocaine, which was "in development". Basson also said that when the drugs were dumped in the sea a number of mortars were also dumped.

## **Tuesday 14 August**

Continuing to chip away at Basson's claims that stringent checks and balance were in place to control expenditure of Project Coast funds, Anton Ackermann confirmed that auditor Petro Theron never once carried out a physical inspection to verify the existence of equipment or chemicals. Basson said in response that Theron was satisfied when conducting each annual audit that the information provided, the documents produced and the cash flow statements which he furnished in support of payments, were a true reflection of transactions. He said that 'the system' did not demand physical verification.

In questioning Basson about items on a list of Project Coast's assets which he prepared for the Chief of Staff Finance, Ackermann asked Basson why the list included 1000kg of Product B (BZ). Basson explained that of the five tons of BZ was bought in April/May 1992, by November, only 1 000kg remained in stock, the rest having been weaponised or used during tests. [Note: this means that, according to Basson, four tons were used in a seven month period for weaponization and testing].

Basson could not explain why this was not mentioned in the letter to the Chief of Staff Finance, and said that the list could not be seen as a full record of the work carried out by Coast over a 12-year period. He said that, for example, no mention, was made in the letter of the 155mm CR projectiles, or the 120mm CR mortars filled and given to Jonas Savimbi as his last line of defence. In addition, no mention was made of any Chemical Agent Monitors, neither the 12 at 7 Medical Battalion nor those given to UNITA.

The letter mentions 30kg of Product C [cocaine] being in stock. The balance of 50kg, said Basson, had been used up during the weaponisation of BZ. It had been found, said Basson, that BZ alone was unreliable – it did not have a calming effect on everyone exposed to it. Some, in fact, became far more aggressive. However, by mixing the BZ with Benzotripane extracted from the cocaine, the calming effect was achieved.

Ackermann then said he was being inundated almost daily with calls from scientists challenging some of the claims made by Basson. Ackermann reminded Basson that he had said cultures which Basson claimed were intended for the purpose of growing peptide were obtained from Tunisia. Basson said he remembered that the "bacterial cultures from which peptides could be built" had actually been obtained from China.

Ackermann then asked Basson about the membership of the CBW Mafia which Basson referred to as his Principals. Basson confirmed that the group had included Libyan, East German and Russian intelligence agents, as well as agents from other unnamed countries as well as arms dealers and smugglers.

Asked what had he meant to indicate when he remarked, last Wednesday afternoon, that he had control over Charles van Remoortere's wife and children, and that there was thus no chance that Van Remoortere would abscond with any Project Coast funds. Basson said it was just a joke. What he really meant was that if Van Remoortere had ever taken the money and run, he would have been in a position to track him down anywhere in the world because Basson had the full support of the South African government.

Ackermann pointed out that the CBW Mafiosi were also involved in money laundering on a massive scale – amounts of \$100-m had been mentioned. And they were the kind of people who had need of safe houses. He asked if Basson would agree that the CBW Mafiosi were professionals, and that one would not like to end up in their bad books. Might some of them, at least, not also have been the target of opposing intelligence agencies? The Libyans, for



example – surely they had been constantly under surveillance by Western intelligence agencies? In such circumstances, Ackermann suggests, it would be extremely unlikely that Basson would expose his children, family members and friends – to possible danger by having them accommodate the Libyans.

He saw no particular danger, said Basson, since he believed he enjoyed the full protection of the South African government, though there were times when troops were stationed at his home for security. But what protection could the SADF possibly provide to his daughter Naomi at a Swiss finishing school, asked Ackermann. Basson said she had no need of protection, despite the fact that she was acting as chaperone to a Libyan child, daughter of one of Razak's colleagues. Basson said that the girl's father was one of Razak's friends, and he has no idea what the man did or even who he was.

Basson was then asked about the cottage in Warfield, England. He said that the cottage had been used by Special Forces operators as well as his colleagues and members of his family. He also said that Dieter Dreier (one of the Principals) had also stayed in the house. Ackermann said he was astonished that the British Intelligence services had not been suspicious of all the traffic through the house.

Basson was asked about the condominium purchased in Orlando through David Webster. Basson explained that this too was a safe house for the Principals. Ackermann put it to Basson that the condominium in Orlando was his, and his alone, and that no Principals or Libyans were ever involved.

It seemed that 1992 had been a good year for the Principals, said Ackermann, with several assets being acquired. On the other hand, 1993, when Project Coast was no longer a client, had seen a dramatic decline in funds available to the WPW group and serious cash flow problems in all the companies. The Principals were unable to even come up with the monthly levy payments on the condominium, until eventually it had to be sold. Basson said the group was "frequently" beset by cash flow problems, and in the nature of front organisations, when the funds dry up completely, you simply shut them down.

Asked by the judge for his prognosis on the end of his cross-examination, Ackermann said he hoped to finish before 1 September but that even so, he might have to cross-examine on the NBC suits charges a week later. Alternatively, the prosecution would be grateful to adjourn for that week, thus allowing Dr Pretorius to do the final preparation for his cross-examination.

### **Wednesday 15 August**

Former Defence Minister, Gen (ret) Magnus Malan, appeared as an observer in court today, he was accompanied by Major-General Dirk Marais, who was deputy chief of the army until 1993/94.

The subject at hand was the financing of Merton House, bought in May 1988. Basson said earlier in 1988, he had instructed Tjaart Viljoen to find the best and least bureaucratic way of bringing foreign investments into South Africa, and he had come up with the moratorium loan system, offered by the Reserve Bank as a way of circumventing sanctions.

In March 1988, Wisdom Investments & Properties was set up as the WPW group's holding company in South Africa, to be used both to acquire assets and channel WPW funds. Since being confronted with the Intramex cheques used by Viljoen to pay the deposit on Merton House, Basson remembered that the funds – R847 000 - were replaced by WPW in 1989.

Viljoen had been fully aware that Intramex was an SADF front, fully funded by the military. Surely, said Ackermann, Viljoen would not have used SADF funds for a WPW transaction without Basson's knowledge or authorisation? Apparently he did, said Basson, since this was never discussed with him.



Viljoen had testified that he was alerted by Basson to expect funds from Wisdom Finance, and told they were to be utilised as loans to various Wisdom Group companies, as specified by Basson, and to specific individuals. These details also appear in a handwritten document from Basson to Viljoen, in which funding of R10-m is anticipated. The two moratorium loans gave Wisdom a total of R8,5-m – R5,6-m in August 1988 and R2,9-m in 1991. Basson is not able to put a figure to the full amount of money pumped into South Africa by the Principals, but conceded that it must have been well in excess of R10-m. The Merton House development alone cost close on R12-m, R2,3-m was poured into the farming operation and Partners in Travel ran up a loss of more than R1-m. The state estimates the amount at around R27 million. Basson said he did not know if funds from the first moratorium loan were used to replenish the Intramex coffers. He had thought that a commercial rather than Finrand deal was used to do so, but the only commercial rand deal involving an amount of R847 000 which the State has been able to find, involved the transfer of 4 000 shares in Wisdom Investments & Properties to WPW Inc in 1989. Basson thus cannot identify which WPW funds were used to repay Intramex.

Basson said a "sub-group" of the international CBW Mafia which made up the Principals, ultimately decided how much money would be needed to establish the facilities they wanted in South Africa. He said his relationship with them was formed over time, and involved the recruitment of agents, the identification of mutual needs and getting to know and trust one another.

Basson confirmed that the Principals – and specifically Dieter Dreier - had facilitated the acquisition of Chemical Agent Monitors. Payments for the equipment were made in April and May 1988, the funds being channelled through ABC Import/Export and Roger Buffham to WPW. Basson said the company, WPW, was "the washing-machine". He said the Principals were the suppliers to Project Coast, and the Libyans and East Germans, were sole shareholders in the company. Basson said the Principals needed certain facilities both in South Africa and abroad, and his role was to establish them and then "hijack" them for the SADF's benefit.

Ackermann said he could not understand the need for laundering the money used to pay for the Chemical Agent Monitors. Ackermann said that simply put, the SADF needed CAMs. The Principals were in a position to supply them. Funds used to pay for them were to be invested in South Africa. So why could the SADF not simply pay the SA company, Wisdom Investments & Properties, directly, through its front, Inffadel? Basson said that would have been a security breach.

Ackermann asked Basson about the sale of Merton House saying that the sole reason for Merton House being sold was to cover the massive debts of Blowing Rock Consolidated Investments to Roodeplaat Research Laboratories and Medchem Consolidated Investments. In the process, said Ackermann, Basson and Philip Mijburgh had come up with a novel way of settling Mijburgh's own loans from RRL, Waterson Properties and Profincor by shifting the burden between companies. However, said Ackermann, Viljoen had testified that a R1,1-m loan to Mijburgh by RRL eventually had to be written off.

Basson disputed this, claiming that Mijburgh repaid the Principals in full. Basson said, had Mijburgh not done so, "he could not have lived in Libya for three or four years afterwards".

According to Viljoen, said Ackermann, Mijburgh had undertaken to clear Data Image's debt to Profincor as soon as the Fancourt lodge – owned by Medchem Sports International – was sold. Basson says Mijburgh would have had no right to tell Viljoen that. Fancourt belonged to the Principals, and Mijburgh could have had no claim on the proceeds of the sale.

By November 1994, the Five Nations Gold and Country Club was also in dire financial straits. Bernard Zimmer was desperately trying to solve cash flow problems and the entire project was on the verge of collapse. Why was this, asked Ackermann.



Basson said it was because the Principals had lost interest in the development. The SADF would have made use of the facilities, though the Principals never knew this. But, in January 1993, Basson was ordered to shut down Project Coast and all its international links, a process which took two years to finalise. When he pulled the plug on the Five Nations development, the Principals lost between \$1-m and \$1,5-m – but this was not his problem, said Basson – "it wasn't my money".

Ackermann said that in May 1994, Armscor bought Protechnic for R960 000, and the amount was paid to Charburn. In August, Charburn paid 2,5-m Belgian francs to WPW's Luxembourg account which, according to Zimmer, represented Basson/WPW's one-third share of the spoils. Was it correct, asked Ackermann, that at this moment, an amount of \$550 000 is still lying in a Swiss bank account to which only Basson and Webster are the signatories? He also asked whose money this is.

Basson said the money belongs to the Principals.

Ackermann pointed out that the Principals cannot gain access to the funds, which were included in the assets which the State sought to seize in its August 1999 application. He asked how come these funds were simply lying in a dormant Swiss bank account.

Basson said that at some point he had parted ways with the Principals, "I probably became an embarrassment to them" and they simply walked away. Not a single Principal – not Murgham, nor Razak, Dreier or anyone else – had ever issued Basson with any instructions on what to do with these funds – or the Tubmaster investment. Ackermann asked if the Principals know about the money in the Swiss bank account.

Basson said he is certain that he would have told them in the process of shutting down the front organisations. But again, "it's not my money".

The court adjourned until Friday 17 August.

## **Trial Report: Fifty-Two**

**This report covers the period Friday 17 August to Thursday 23 August 2001 Friday 17 August 2001**

The cross-examination of Basson relating to charges of fraud continued.

Basson denied instructing Project Coast financial and administrative manager D John Truter, that the secret account he opened on May 7, 1991, was not to be disclosed to Gen Niel Knobel. He admitted telling Truter the account was to be used to channel "ultra-sensitive" funds, and because these had nothing to do with Project Coast, the funds were not subject to audit by Project Coast auditor, Petro Theron. Basson claimed the account was set up in terms of his mandate to launder funds for the Principals, and specifically to channel the proceeds of the sale of surplus NBC suits which had been donated, but not distributed, to UNITA.

Basson's morning testimony was that the secret account was to be used for this purpose only, on a one-off basis, as authorised by Gen AJ (Kat) Liebenberg. By the end of the day, having been confronted by various other transactions that went through the same account, Basson claimed that his mandate was a broad one, and that he was entitled to use the account for other deals on behalf of the Principals as well. He said that when he had to find a way of selling off the surplus NBC suits, he consulted Gen Liebenberg about how best to launder the funds, and was told: Well, you do it all the time, use the Project Coast channels, but make sure the NBC funds don't get mixed up with project funds.

Basson said that all the paperwork and bank transfers would be in the name of Project Coast, so as to avoid setting up a new front company. He said the Reserve Bank might have gained



the impression that the funds transferred from this account were Project Coast funds. Reserve Bank documents showing the transfer of funds from the secret account to the Barcelona account state that this is an advance payment for Project Coast equipment to be delivered "between September 1991 and January 1992". But Basson said this was just the cover story.

State Prosecutor, Anton Ackermann said that the result was that the only checks and balances imposed on the sale of the NBC suits, and distribution of the proceeds, were those imposed by Basson himself.

Basson said that when the secret account was closed on July 31, 1992, R50 000 of the balance was paid to him in cash. He claimed the account was no longer needed by the Principals to move funds out of South Africa, and that he gave the cash to Yusuf Murgham. Basson said he never gave the Principals financial statements recording the use of their funds as this would have been a security breach.

Ackermann questioned Basson in detail about the sale of the NBC suits and said that the State believes the deal was structured to form part of the second Reserve Bank moratorium loan, which saw \$970 000 paid to Blowing Rock Consolidated Investments in December 1991. Documents relating to the second moratorium loan inform the Reserve Bank that the funds were to be used for the purchase of two farms in Mpumalanga, and the Fancourt lodge. Ackermann pointed out that the farms had already been purchased by this time – the first in June, the second in September 1991. Ackermann asked why, if the Principals already had R5,5-m sitting in the Regent International Tradings account, had there been any need for the second moratorium loan at all? Ackermann said he believed that the transaction was designed by Basson to create the impression that genuine foreign investors were involved.

Basson said that he still had intermittent contact with the Principals in 1995 [after the official closure of Project Coast].

Basson said that an amount of \$360 000 transferred to the secret P & S Engineering account from Luxembourg on October 20, 1992, had been used to pay for BZ (in April/May). He disputes the testimony of Sam Bosch that the funds were paid into the P & S account on the instructions of Philip Mijburgh, who did not want them deposited in any account that would be subject to audit. The funds are recorded in the P & S cashbook as being in respect of "sale of technology" to Firm Licenspolychim, 11 Minskaya Street, Moscow. The forensic audit showed that the funds originated from Project Coast and were part of the amount sent to Blackdale for the second peptide synthesiser deal.

### **Monday 20 August 2001**

Basson testified that the lodge at Fancourt, like all the other properties in the WPW/Wisdom groups, was bought for the Principals as a safe house and venue for meetings. Basson said the Principals were already involved in hotel and resort development in the rest of the world, Fancourt was a natural choice for them to extend their South African interests.

Asked whether the Principals had expressed interest in acquiring a Macdonalds franchise at some point, Basson said he cannot remember this, but said they were involved with Nike at one time. Ackermann asked Basson whether there was also a proposal that an American football team be bought. Basson said this too he cannot recall, but qualified he answer saying that the Principals would have found it "great fun" to own their own football team.

Ackermann asked Basson how many times the Principals visited South Africa between December 1986 and December 1992, and where they stayed. Basson said that they visited South Africa probably about 10 times they had stayed at the apartment in Sunnyside, Pretoria. They also stayed with Basson, and his mother.



Basson answered questions about the Fancourt Lodge and about trips undertaken in the King Air aircraft. Ackermann put it to Basson that the Fancourt lodge was never bought for the Principals, but by Basson, Philip Mijburgh and Wynand Swanepoel for their own pleasure. Basson denied this.

Ackermann then turned to the company Systems Research and Design, set up on December 11, 1986. Basson said that coincidentally, at just about the same time that Project Coast identified the need for a research facility, the Principals expressed the same need. Jan Lourens was appointed managing director of SRD, and he borrowed R60 000 from Inffadel to buy his 29% shareholding. Basson said that SRD's subsidiaries each had a specific purpose. Phoenix Service Station, he said, had an SADF contract to maintain Project Coast vehicles and those of other covert operations. Phoenix also supplied special equipment in the vehicles used by members of the quick reaction teams which would be called in the event of an accident at Delta G Scientific or RRL.

Basson said SRD Electronics, set up in January 1987, had a contract with the SADF to supply and maintain radios, communication systems, and electronic surveillance equipment used by Project Coast. QB Laboratories, Basson said was the domain of (Bart) Hetteema. Basson said that Hetteema was the liquid aerosol expert in South Africa at the time, and was responsible for research on the aerosolisation of teargas and other substances. Basson said the results of Hetteema's research were supplied to the Principals. Basson said the Principals provided about R300 000 in capital for SRD.

Basson said it was a coincidence that the establishment of SRD – with initial shareholding of 71% in WPW Inc's hands and 29% in the hands of Lourens – took place just one month before YCVM and Regent International Trading Services signed a contract for 45 000 NBC suits. The contract specified that quality control will be carried out by SRD. Ackermann said this meant that a company in which the Principals held the majority share, was wholly responsible for certifying the quality of the SADF's protective garments.

Ackermann established that extensive research had already been conducted in the industrialised world, into all defensive CBW systems and protective garments. In 1986, however, South Africa was new to the field. Given this, Ackermann asked why the Principals had chosen to ask Basson to set up research facilities for them in South Africa. Basson responded saying that the Libyans could not have set up their own research facility because CIA and satellite surveillance would have picked this up immediately. He said South Africa was seen as "neutral" territory safe from the probing eyes of the satellites.

Ackermann put it to Basson that it was highly unlikely that in 1986, the Libyans would ask South Africa to conduct their CBW research for them.

When Protechnic was set up, it assumed certain tasks previously performed by SRD, namely development and evaluation of defensive CBW systems for the SADF. Basson claimed that he furnished reports on research programmes to the Principals until the end of 1995. Challenged by Ackermann to identify the areas of research on which he supplied reports at this late stage, he mentioned activated carbon, but could add no more.

Ackermann asked Basson whether his sense of morality would not have not precluded him from doing this. He asked why Basson had not simply stopped furnishing reports to the Principals in 1993. Basson said his morality had nothing to do with it.

Basson said he had not told Gen Knobel about the supply of information to the Principals since he had no obligation to do so. Basson said he was carrying out his mandate in terms of the orders of the SADF Chief, initially Gen Kat Liebenberg, then Gen Georg Meiring. Pressed for an answer as to whether Gen Meiring knew that Basson continued to furnish research reports to the Libyans in 1995, Basson said Meiring did know about the continued submission of reports to the Libyans.



Ackermann put it to Basson that it was extremely unlikely that as late as 1995, he was still giving reports to the Libyans and asked how he had done so. Basson said he had handed them to Abdul Razak and "his people" at various places in Europe, for example, Basel and Spain. He said he last saw 'the East Germans' in 1994.

## **Tuesday 21 August**

Ackermann questioned Basson in some detail about the company Intramex. Basson has claimed Intramex was an SADF front company established to act as an intermediary in the sale of CR from Delta G to Armscor so as to hide the origin of the CR. Basson is listed as a director of Intramex. Basson told the court that he only became aware of his directorship of the company when questioned by the Office for Serious Economic Offences in 1992.

Despite the testimony of various witnesses – PW de Jager, Cecilia Grant, Viljoen, even David Webster – to the contrary, Basson told the court that profit-making was never the objective of any companies in the Wisdom group. Ackermann said that at a meeting of Wisdom Holdings on April 12, 1990, Basson had said that the objective of the various subsidiaries in the group was to generate income. Basson said this was designed to mislead anyone who might gain access to the minutes. He said Viljoen and Wynand Swanepoel knew the true state of affairs, and played along.

Basson said there would not be a single document which identified the Principals as the true shareholders of these companies, since that would have been a serious security breach. Ackermann put it to Basson that in fact, the objective of every company in the Wisdom group was to make money, and that the reason this had not happened, was because incompetent people were appointed to run the companies.

Asked about the Tygerberg Zoo, Basson said animals at the zoo were used for experiments, small deer for pheromone research and cheetahs for heavy metal research. Basson said the research was conducted by the University of Stellenbosch and Swartklip Products.

Ackermann then turned to Protection Management Services (PMS) and asked Basson to tell the court what he knew of this company. Basson said that Karel Koen had been an SADF security officer who joined Armscor before moving to Delta G Scientific. Basson said it was decided that it would make financial sense to make use of contract security services than to have security officers on the company payroll, and Koen offered to set up a private company for this purpose. Basson said Koen also intended marketing electronic surveillance equipment. Basson said that he referred Koen to Roger Buffham at CSD in connection with electronic security equipment. PMS was used as a channel to import equipment for both Project Coast and the Principals. Basson said that equipment procured by PMS from Buffham was supplied to the SADF's Special Forces, EMLC, the National Intelligence Service and the South African Police's VIP protection unit. Basson said the equipment included sophisticated bomb detection apparatus and surveillance equipment.

Ackermann pointed out that Koen's testimony was that at the end of 1988, Basson approached him and asked him to set up a private security firm, telling him that he just happened to have a company available for this purpose. Basson denied this, but could not disagree that SRD Electronics became PMS.

Ackermann then produced an invoice which had been attached to Gen Niel Knobel's response to the Office for Serious Economic Offences when certain foreign payments by Project Coast were questioned. The explanation furnished by Basson for payment of £100 000 to Buffham on August 10, 1990, was that it was in respect of "security equipment for Project Coast, used operationally and written off". The attached invoice is for 15 Diviner detection systems @ £650 each. However, the section of the invoice in which the name of the client should appear, is blank. Basson could not explain this. Clearly, he said, despite the fact that both he and auditor Petro Theron initialled the invoice, it did not appear to have been issued by Buffham. The original document seems to have disappeared. Nor could he shed



any light on a letter to Koen from Buffham, dated October 9, 1990, in which he asks: "How are things going with the Diviner system? Please let me know".

A second invoice, used to support payment of another £100 000 to Buffham on October 15, 1990, was explained to the Office for Serious Economic Offences as being in respect of "development of security paper prototype for Project Coast by Buffham". This, said Basson, was for special impregnated paper and sensors. Like the first invoice, this one, too, contains a blank space where details of the client should appear. In addition, the amounts on the invoices and those on the authorisation for fund transfer signed by Knobel, differ by a few thousand pounds in both cases.

In the absence of any explanation by Basson for these anomalies, Ackermann put it to him that in fact, the equipment specified on the invoices had been bought by PMS, and that Basson had used the invoices, with the company name suitably removed, when called on to explain payments by Project Coast. As usual, said Ackermann, Basson was doing what he is best at – taking details of one situation, doctoring them and then inserting a real situation into an imaginary one, to explain himself when challenged.

### **Wednesday 22 August**

Despite the mention in various minutes of Wisdom Holdings meetings of Protection Management Services being a subsidiary in the group, Basson continued to deny this, and to deny that he had any financial interest in the company. Anton Ackermann put it to Basson that not only did he have financial interests in PMS but, that he also had a financial interest in Roger Buffham's company, Contemporary Design Systems.

Basson said that the Principals had invested in CSD resulting in the expansion of the company. He said the company suffered financially when the Principals withdrew their support when Buffham fell out of favour. Basson said Buffham was an important supplier of equipment for Project Coast, and necessary steps were taken to protect him. He said funds were moved through Buffham's bank accounts on the instructions of Dieter Dreier, and these operations formed part of Basson's mandate to launder money for the Principals.

Basson said he first heard of Roger Buffham at a meeting of the CBW Mafia, when Dieter Dreier described him as "one of our people". Basson said he then gave Buffham's name to the SA military attaché in London and learned that Buffham had tried several times to supply strategic equipment to the South African security forces. Basson set up a meeting with Buffham at a July 1986 exhibition of electronic equipment in a London club.

Basson said he presented himself to Buffham as someone involved in procuring technology for the South African, and other governments. Basson said that when Buffham visited South Africa in late 1986/early 1987, he met with Gen Lothar Neethling at the South African Police's Forensics Laboratory.

Basson said the Principals ceased to support CSD after Buffham made an unauthorised trip to Moscow, which drew the attention of MI5. As a result, Dreier decided that Buffham had served his purpose but, Basson continued to cultivate Buffham, as Project Coast still needed him.

Basson claimed that while CSD was used as a front, the rule was that three to four months before funds were injected by the Principals, Buffham would create documents motivating a request for additional financing. As a trained intelligence agent, said Basson, Buffham was "extremely good" at creating false documents. Viljoen was never told that the documents were all part of the cover story, and they were created for the benefit of "anyone" who might probe CSD. Buffham had to have a plausible explanation for the flow of funds into CSD. Basson said that the funds were payments for highly sensitive equipment which Buffham supplied clandestinely and that most of the equipment supplied by Buffham was subject to sanctions.



Detailed questions regarding specific payments to CSD were put to Basson.

#### **Thursday 23 August**

Basson continued to maintain that after the Principals withdrew their support of Buffham following his unauthorised visit to Moscow, it fell to him to wind down CSD on their behalf. Basson said that Project Coast still needed Buffham, so he [Basson] had to find a way of maintaining Buffham's goodwill while at the same time, ensuring that there was no breach of security. Basson did not want to place CSD in liquidation, as this might have angered Buffham so much that he could be tempted to publicly disclose covert operations. The task of finding the best way to deal with the situation was left in the hands of David Webster and Tjaart Viljoen. Basson said all he could do, was to supply Buffham with whatever false documentation he needed in order to attract alternative investments.

Basson said that Buffham's affairs were a closed book and that no-one (not he or David Webster or Viljoen) ever really found out "what was going on" at CSD, or who Buffham was spying for. Basson said there were several reasons why Project Coast needed to maintain a relationship with Buffham after the Principals walked away. Buffham was a source of information, in connection with Special Forces operations and the running of agents, and as a Justice of the Peace, Buffham issued and certified documents needed by members of both the South African Police and Special Forces.

According to Basson, Buffham also had contact with Porton Down, and he arranged for Gen Niel Knobel to visit the facility.

Clearly, said Anton Ackermann, the Principals had made "the biggest mistake of their lives" when they formed an association with Basson. By naming them in court, he had blown their cover. Basson said that he had not wanted to do so, but had been advised by his counsel that he had no choice, even if this meant his personal safety, or that of the Principals, would be jeopardised. He said that representatives of the British and American governments briefed in 1994/95 about Project Coast had "fallen off their chairs" when informed about the various projects in which he had been involved.

Ackermann said that Basson had testified that no intelligence agency anywhere in the world knew of his relationship with the Principals. In response Basson said that at the briefing of the US and UK experts he said nothing about his Libyan connections, and had emphasised the role of the Russians instead. Basson said had been shown aerial photographs of Libyan installations and was able to "help" the US and UK government representatives, but, in accordance with his orders from then SADF Chief General Georg Meiring not to reveal "sensitive" information, he had not made full disclosure to them. Basson said Gen Meiring believed that the British and Americans "wanted all the sensitive information so that they could keep it from the ANC".

## **Trial Report: Fifty-Three**

**This report covers the period Friday 24 August 2001 - Wednesday 30 August 2001**

### **Friday 24 August 2001**

The cross-examination of Wouter Basson continued. Basson testified that the company Contemporary Systems Design, run by Roger Buffham, was established on behalf of the Principals. He said the company was closed down in April 1990 but the services of Buffham continued to be used by Project Coast and the Special Forces Unit of the SADF until well into 1992. Basson said these services included research and certification of documents used to



obtain false passports using the name and date of birth of someone who died as a child or baby.

Regarding Basson's relationship with Swiss pharmacologist, David Chu, Basson said they were introduced to one another by East German intelligence agent, Dieter Dreier. He said that Chu was involved in Basson's first transaction on behalf of the Principals, the laundering of \$250-m into the Western banking system.

Basson said the OPALS and Project Contresida proposal (regarding the treatment of AIDS in Africa), was devised as a cover story for laundering the \$250-m. Basson claimed that the South African government (and the SADF's Chief of Staff Finance, Admiral Bert Bekker) was aware of, and approved the scheme. He said the Reserve Bank was "only too happy" at the prospect of a foreign investment of this magnitude lying in its vaults for "five or ten years", and an official even supplied the name of a commercial bank (unnamed in court) through which the funds could be channelled. Basson said that in 1988 AIDS was already a controversial subject, which offered the ideal cover story for a covert operation. Basson said that both Chu and Jurg Jacomet knew the true nature of the transaction. He said that the \$250-m originated from the East German intelligence agency although he did not know how the money came to Dreier's, but suggested it might well have been stolen from the agency's covert operations budget since the money was available in cash. Basson said that the funds would be moved into South Africa by the Lichtenstein bank (unnamed in court) in smaller amounts, ostensibly as payment for false invoices to be issued. The funds would then be transferred to the Reserve Bank.

Basson testified that OPALS was a genuine organisation, which at the time had French First Lady Danielle Mitterand as its patron. He said the organisation was infiltrated by Military Intelligence "to find out what they were up to". He also said that Madame Mitterand wrote a letter to the Lichtenstein bank approving the proposal to develop anti-AIDS drugs in Africa to fight African AIDS. He said that mention in the document of plans to establish pharmaceutical laboratories, diagnostic facilities and outlets for medication, was all part of the cover story and there was never any intention to draw Delta G Scientific or Roodeplaat Research Laboratories into the scheme.

Prosecutor, Adv Anton Ackermann, put it to Basson that it was unlikely that East German communists would want to launder \$250-m in South Africa, and leave it lying in the Reserve Bank vaults for five years, or that they would ever use Basson for this purpose. Ackermann said the scheme had been designed so that PCM International Inc could gain control of Delta G Scientific, and Contresida was to be used as a cover for Basson bringing funds into South Africa for his personal use. Basson denied this saying that OPALS was a cover story for the money-laundering all along, and in the process, he had succeeded in gaining Madame Mitterand's approval of the scheme. Basson said it had been a source of "great delight" that he had been able to involve her in a cover story to this extent, and he had no fear whatsoever that his deception would be uncovered by the French intelligence service.

Ackermann pointed out that the OPALS proposal contained a number of references which were remarkably similar to the structures outlined in the Background to the WPW Group document. Furthermore, in the handwritten organogram which Basson gave to Webster, Contresida Inc, Caymans, was listed as one of his offshore companies. And in January 1989, Basson had asked Webster to find out what rate of interest could be expected on a \$100-m investment in the Cayman Islands for five years. The request, said Basson, was merely so that he could compare the interest rate offered by the Reserve Bank with an international one.

Basson was questioned further about his relationship with David Chu and about the substances which he alleges Chu assisted him in procuring. According to Basson these substances included carcinogens which had been requested by RRL Managing Director, Wynand Swanepoel; and Prostaglandin E.

**Monday 27 August 2001**



Basson testified that the first feasibility study on the marketing of Roodeplaas Research Laboratories abroad, was carried out by Dr David Chu prior to Medchem-Forschungs being set up in January 1990. Chu was paid 150 000 Swiss francs for the task – and 230 000 Swiss francs for his second study, conducted after privatisation of RRL. Basson said that American attorney, David Webster, was never told that Medchem-Forschungs would be a front for the Principals, but during the initial talks in Florida between him, Basson, Chu and Dieter Dreier, Webster was "bright enough" to realise that this would be the case.

Basson was questioned about the ownership of the company Medchem Forschungs. He claimed that the documents indicating that shares were held in his name were false. Ackermann asked Basson why he had instructed Chu to pledge the Medchem-Forschungs shares as security to raise the money to bail him out after his arrest in Switzerland in December 1993, if Chu was 100% owner of the company. Basson said that was part of his ploy to persuade the Swiss authorities that he knew a number of important people in Switzerland and would not be a flight risk. He said Chu managed to raise only 26 000 Swiss francs, which was handed to Chris Marlow, but repaid to Chu when the South Africa government paid Basson's bail in full.

Basson insisted that the deal to supply five million units of penicillin to Iraq, for which Chu says he was paid £80 000 commission, was all a sham – merely another way for Dreier to launder money through Medchem-Forschungs. Basson said Chu knew this, but had not been prepared to admit as much in court. According to Basson, the supply of insulin to Iraq was another cover story used to launder funds for the Principals.

Turning to the purchase of the peptide synthesiser, Ackermann asked where the AIDS research with the Thymus peptide was done. Basson said that research on the Thymus peptide production and its effect on the immune system in vitro was done at the Special Forces Headquarters (Speskop) laboratory, and that human trials were conducted in Swaziland. He said research on growth hormones and two or three brain peptides was also done at Speskop.

Basson said that two or three new peptides – growth hormone variants – were also made at Speskop. He said the problem of penetrating the brain blood barrier was overcome by having (Swazi) subjects sniff the peptides, which were then absorbed through the mucus membranes. He said the Thymu-Vocal peptides, of calf origin, were administered orally, and even though gastric juices destroyed most of the substance, three to five percent absorption through the gastric canal proved sufficient for research purposes.

Basson said that he had more knowledge than Delta G and RRL scientists about the effect of peptides and due to the assistance of "the Bulgarian", he was able to manufacture a molecule himself. Basson later named the Bulgarian as "Gorgev".

Asked who Sergei Estinev was, Basson said he was a Russian translator, contracted – like Gorgev and Cadwell – through the MAIS Corporation in Zurich. Basson said Estinev worked with Gorgev at Speskop, and accompanied Basson on his "several" visits to the Academy of Sciences in Moscow to act as translator, but that no Russian scientists worked at Speskop. He said his trips to Moscow were for the purpose of discussing and solving problems that were experienced with the peptide production.

Basson said the remuneration of both Gorgev and Cadwell was included in the package deal for the peptide synthesiser – Gorgev for 18 months, Cadwell for a year. Basson last had contact with Cadwell in 1993 or 1994. Basson said the peptide synthesis deal had been part of the NBC suit deal and involved the Iranian, Hashemi. He claimed that he had been instrumental in assisting the British authorities in arresting Hashemi for fraud, having given them information about Hashemi in 1996.

Ackermann said the state would argue that no peptide synthesis was ever carried out at the Speskop laboratory.



**Tuesday 28 August**

Basson testified that details of the contracts signed in 1990 between Medchem-Forschungs and Roodeplaas Research Laboratories, designed to facilitate the roundtripping of the R12-m paid to the company for cancellation of South African Defence Force contracts, were known to surgeon-general Gen Niel Knobel, members of the Co-ordinating Management Committee and project auditor Petro Theron, though Basson could not say with certainty that any of them actually saw the documents.

He said, however, that the contract for the Blackdale-Copperdale-Tagell deal (involving the sale of NBC suits and the alleged purchase of the peptide synthesiser) was seen by no one as it was an operational matter and there was no need to burden CMC members with a cover story.

Regarding the establishment of the company Medchem-Forschungs, Basson said it was set up in January 1990. Basson said that at that time he already had a "broad" idea of how the company could be hijacked and used to supply chemicals, provide access to European data bases and act as a front for Roodeplaas Research Laboratories. However, when the roundtripping contracts were signed, use of RRL by Medchem-Forschungs for contract research was only a cover story. At some later point, probably around March 1990, the cover story became an economic necessity, because RRL needed to generate income.

Ackermann asked who was being referred to in a document dated November 28, 1989, outlining various aspects of RRL's privatisation, which makes mention of an office having been set up in Europe to market the services of not only RRL, but Delta G Scientific as well. Medchem-Forschungs did not yet exist, and by Basson's own account, Chu did not have any connection with Delta G. At that time, said Basson, the marketing would have been in the hands of "the university in Austria" where Professor Schlaag worked. There was also an agency "somewhere near Cannes" which was handled by Wynand Swanepoel which marketed RRL. Basson said before Medchem-Forschungs existed, Chu did some of the marketing, through Chu-PM Trading. Ackermann disputed this version of events, saying that payments to Chu before January 1990 were in his personal capacity.

Basson testified that the first talks about acquiring the Jetstar aircraft took place during 1988/89. He said the Principals had identified the need for an aircraft capable of intercontinental flight. He said that just about the same time, the SADF and Project Coast realised that they, too, had need of such an aircraft, and Basson proceeded to do the bidding of the Principals in handling the acquisition.

Basson said the Jetstar was an obvious choice since it features a huge cargo hold which is large enough to smuggle all kinds of contraband, but is not immediately visible from the outside. He said the reason the Principals entrusted the purchase to him, was because he and they had been involved in aviation since 1987 and, having flown all over the world since 1981, Basson knew about aircraft. Basson said he determined that a budget of \$4-m was needed for the Jetstar, and the Principals undertook to provide the funds – he neither knew nor cared where they would come from.

Ackermann put it to Basson that in fact, his international Principals were in a position to buy assets only when Project Coast provided the funds. Basson denied this and referred to the huge amounts of cash laundered on their behalf which had nothing to do with Coast. Ackermann put it to Basson that Delta G produced large quantities of drugs which were not destroyed as claimed. Ackermann said that to this day there are drums of Mandrax in police custody. Basson denies that any Mandrax was found on the Delta G premises after the company was sold – what was found were precursors, he said. Asked why these substances were not been destroyed, as certified by Philip Mijburgh, Basson said that Mijburgh had forgotten.



With regard to the peptide synthesiser, Basson said that he, Dieter Dreier, David Chu and Abdul Razak met some eight to ten times to discuss the peptide synthesiser deal, though Chu may have been present on only six occasions. He said talks with the (unnamed) Russian scientist were set up by Dreier. Basson alleged that Chu acted as liaison with Med-Alfa throughout the deal, obtaining scientific data from them. He said about six meetings with the Russian took place in hotels over a period of four to five months.

### **Wednesday 29 August**

It was obvious, began Anton Ackermann, that despite claims by Basson that the Principals had access to many millions of dollars, every time creditors demanded payment, assets had to be disposed of, at a loss. In the middle of 1992 already, he pointed out, David Webster was recommending the sale of the Jetstar. Basson said Webster was always conscious of security considerations when the WPW group owed money anywhere. He explained that one of the main reasons why front organisations do not use external sources of funding, is to avoid running into a situation where legal action taken by unpaid creditors can expose covert operations. Basson said that in mid-1992, Webster was looking at various ways in which the Jetstar could generate income. One such scheme investigated by Webster was the acquisition of an air taxi licence, which would allow the Jetstar to be used in the US to carry paying passengers. However, the idea was abandoned, and the Principals rejected Webster's advice to sell the Jetstar.

Basson said the Jetstar – carrying 500kg of methaqualone from Croatia - returned to South Africa from Europe on December 23, 1992 – the day on which Basson received notice of his dismissal from the SADF. He said that he did not inform the Principals that he had been fired. He said it was only when he was "forced" to reveal his background in 1995 that they learned the truth.

On March 24, 1990, Charlie Stearns – an American aircraft broker based in Long Island – wrote to Basson that it would be possible to realise \$3,6-m from the sale of the Jetstar. Basson said this was not an indication that the Principals were in financial difficulty, but that he was looking into the possible replacement of the Jetstar with a Falcon 50EX, and he and Bernard Zimmer arranged flight demonstrations of this aircraft with the French Air Force.

Basson said the Principals had decided the Falcon would be a better proposition, as ANC leader Nelson Mandela was going to be using their aircraft extensively during 1993, flying all over Africa, and the Falcon had a longer range than the Jetstar. Basson claimed that Mandela used the Jetstar so often during 1993 that it became known throughout Africa as "Mandela's aircraft". He said the ANC contacted "us" and Mandela flew wherever he wanted, free of charge.

Ackermann put it to Basson that Abdul Razak would not have had \$20-m to spend on a new aircraft for use by Mandela. Basson disputed this.

Ackermann put it to Basson that there was no-one by the name of Abdul Razak and that no such person existed as a principal or member of the Libyan intelligence service. Basson again disputed this saying that Razak had a British passport.

Basson said the Jetstar was finally sold in December 1995, though it had not used by any of the Principals since January 1994. Basson claimed that when the sale went through, he told the Principals that Webster recommended investing the proceeds in Tubmaster – owned by Jane Webster's family – and the Principals decided this was a good idea. He said he discussed this investment telephonically with Razak, who was in Europe. He claimed that one of the advantages seen by the Principals was the prospect of an American green card being issued due to the Tubmaster investment. He said that a green card had in fact been issued to "one of Razak's colleagues" whose name he cannot recall.



But was it not true, asked Ackermann, that Basson had sought a green card for his wife Annette? Basson said yes, that was to "test the system" to make sure that it worked before the Tubmaster candidate tried it out. Furthermore, Annette was granted an American work permit, without difficulty, early in 1996.

Ackermann sought an adjournment which was granted until Monday, when Dr Torie Pretorius will start cross-examination on the human rights violations charges. Ackermann's cross-examination – which he estimates will take another two weeks – will resume when he returns from Australia, where he is to receive the international prosecutor of the decade award next week. He shares the honour with the Scottish prosecutors who acted in the Lockerbie bombing case.

Meanwhile, journalist Andrew P Jones, who in 1999 filmed an exclusive interview with Basson, failed to turn over the video to the prosecutors, after having been requested to do so. On Thursday 30 August the State brought a Section 205 application forcing him to hand over the material which, according to the subpoena served on Jones on Tuesday night, "is likely to encapsulate previous inconsistent statements" and contain information relevant to charges 32-35, 41-44, 53 and 56 against Basson. Jones will oppose the application. At the time of writing Jones had appeared in the Pretoria magistrate court and was granted a month long postponement to seek legal counsel.

## **Trial Report: Fifty-Four**

**This report covers the period Monday 3 September - Friday 7 September 2001**

*Appeal for donations. The Centre for Conflict Resolution (CCR) does not have sufficient funds to continue monitoring the Basson trial and producing these reports until the likely conclusion of the trial in December 2001. An additional amount of \$13 000 is required. We appeal to readers of these reports to make small financial contributions. Please contact the CCR General Manager, Fiona Grant, at [fgrant@ccr.uct.ac.za](mailto:fgrant@ccr.uct.ac.za).*

### **Monday 3 September**

The first question put by Dr Torie Pretorius was how Basson had reconciled his dual role of a medical practitioner, who had sworn the Hippocratic Oath, and that of a career soldier who, at the very least, had supplied medication to the Security Police to be used to sedate victims of cross-border abductions. Basson said it had not been difficult for him to do so. Firstly, he did not take the traditional Hippocratic Oath – Pretoria University uses the more modern Physician's Oath. Secondly, he accepted that anyone on whom the substances he supplied would be used, was an identified enemy of the state, and he had no problem with operations launched against legitimate military targets on foreign soil, in order to prevent them threatening the South African population.

Basson claims he only provided substances for use during cross-border operations two or three times – for example, when a guard or highly trained enemy operator had to be subdued. He said that his conscience was clear because by helping to neutralize enemies of the state he had saved the lives of South Africans.

With regard to the Civil Co-operation Bureau (CCB), Basson said that he had previously used the example of the CCB to illustrate the concept that in the intelligence community, financial cost is of little consequence. He said he knows nothing about the CCB's operations or organisation. He assumes that the CCB had a chain of command, but all he knows is that it was a component of Special Forces, and that he never had anything to do with it.

Basson said that any covert operation required a security officer and a solid cover story. He said that the 81mm mortar bombs filled with CR which were used during the attack on Tumpo in Angola, were made from empty shells imported from Israel, while the CR canisters were



made from steel obtained from Brazil. During the later phases of Project Coast, Basson himself acted as security officer and devised all cover stories and disinformation.

Pretorius put it to Basson that his defence had been planned with military precision. This Basson denied. Pretorius said the State would argue that Basson had devised an imaginative defence in his case, using the statements and testimony of all the witnesses against him and improvising his responses in order to exonerate both himself and the SADF.

Pretorius put it to Basson that when it was in his own interest, he had no problem whatsoever in misleading even legal forums, as he had done following his arrest in Switzerland, and that he had no qualms about deliberately misleading a court of law. No mention, for example, had been made of chemicals or drugs during the Swiss investigation into his activities after his arrest. Basson confirmed that was an investigation into an operational matter, and his deceptions were fully justified.

Pretorius questioned Basson about statements made in the press and attributed to him. Basson said that the South African media have reported what they have heard, but not necessarily understood. He said the media do not have the insight to report accurately on his situation. Basson said he had given journalist, Andrew P Jones, an exclusive three hour interview because, he said, Jones was prepared to listen to his side of the story.

Pretorius put it to Basson that in July 1998, South African journalist, Freek Swart, wrote that Basson had visited top secret military installations in Iraq, and knew where Saddam Hussein's CBW weapons were stashed. This was correct, said Basson. Pretorius asked if, as reported, Basson had given this information to the United Nations team sent to Iraq to find and destroy Saddam's CBW weapons and installations. Basson said no, he had given it to British intelligence.

Asked who the Swiss and German colleagues were who, as it was reported had, accompanied Basson to assist in the dismantling of a CBW factory at Felluja. Basson said they were two of Herman Blucher's associates. He said the visit took place in 1986 or 1987, and he (Basson) was merely an observer. Basson said the court should bear in mind that the Swiss, Germans, British and Americans all played key roles in helping Saddam Hussein build up his military capabilities.

On August 8, 1998, Freek Swart wrote another article in the newspaper Rapport, this one stating that Basson had entered into three foreign marriages of convenience as part of his devotion to duty. Basson claims this is correct – Claudine van Remoortere was one of his "brides" and the other two were Russian and Bulgarian. The marriages took place in 1988/89 and the women were paid by Military Intelligence for their assistance. The marriages afforded Basson freedom of movement and access to information, he said.

Asked what the difference between Special Forces and Directorate Special Tasks was, Basson said that Special Forces was a fighting force, while DST "arranged" that other people wage war. Special Forces was part of the greater SADF and subject to the same regulations, but operations were generally confined to small groups, and some rules could go by the board in the field. DST, on the other hand, had a mandate to do whatever was deemed necessary to disrupt South Africa's enemies, Pretorius pointed out. Basson said that he was involved in the planning of medical support to DST and that he had attended operational meetings at DST only by invitation of the commander of a given operation.

Asked what his role as medical officer for military operations entailed, Basson said that it involved planning, providing personnel, intelligence, budgeting, identifying what endemic diseases troops could expect to encounter in a specific environment and ensuring that the proper treatment for such diseases would be available, and identifying where field hospitals and dressing stations should be situated. Basson said the SADF's medical protocols demanded that any troop wounded in battle would be attended to by a qualified doctor within 15 minutes of sustaining the wound. That was the primary reason for establishing 7 Medical



Battalion. He said his planning would also have to cover the range of medications needed and, in the event of intelligence warning that attack with white phosphorous could be expected, field dressings would first be soaked in blue nitrate.

In answering questions relating to the testimony of an earlier witness that Basson had been in Zimbabwe before the independence of that country, Basson said he was aware of allegations that chemical and biological weapons had been used in Rhodesia because in 1981, he was summonsed by the then chief director counter-intelligence and told that a container of poisons had been uncovered as part of an ANC arms cache. It was a green metal trunk and Basson had to examine the contents. Being still a novice, he landed up in hospital as a result. He was told that the ANC had captured the trunk of toxins from the Selous Scouts. It contained mainly insecticides, which were analysed at the University of Pretoria by Dr Willie Basson.

Asked if he had ever heard about poison being added to corn-meal. Basson said that during the mid-80s he heard that the Council for Scientific Research had been asked to test mealie-meal from Sector 10 of the Operational Area (Ovamboland) which had allegedly been contaminated with swimming pool chemicals. This made no sense to him, since the particular chemical supposedly used, is the one which measures pH level in pools, and it changes colour when wet, so the mealie-meal would presumably also have changed colour when used. However, he only knows what he heard, and has no personal knowledge of this event.

Pretorius then solicited Basson's reactions to various documents found in the trunks.

Pretorius asked Basson when he had launched the peptide synthesis research in the Speskop laboratory. Basson said it was in about 1988, though he had studied literature on the subject since the early 1980s, and had known, even before completion of his specialisation, that it was possible to synthesise peptides.

Basson testified that he was the author of the psychological profile of the Special Forces operator. He said he had been asked to compile the profile when it was found that although medical doctors qualifying as Special Forces members had a 75% pass rate, other recruits had only a 50% pass rate. Asked why this should be, Basson pointed out that it was easier to turn an intelligent being into a strong and hardened military operator than to turn a physically strong person into an intelligent being. Gen Kat Liebenberg then asked him to draw up the psychological profile which was then used by a multi-disciplinary team, including psychologists and social workers, to evaluate candidates for Special Forces selection.

Basson's original handwritten report on his inaugural visit to the United States to gather information for the CBW project, was found in one of his trunks. It covers a single week ending on May 9, 1981. While Basson admitted the report is written in his handwriting, he couldn't remember the report at all. Another important early visit had been to Taiwan. A report on this visit, too, was found in the trunks, dated May 26, 1981. But this was not a clandestine visit, Pretorius pointed out, Basson was officially invited to visit Taiwan's military CBW installations. Correct, said Basson. The visit was arranged by then surgeon-general Nicol Nieuwoudt and he flew to Taipei from San Francisco, spent three or four days in Taiwan then returned to America. Later, he paid a similar visit to Israel.

Basson testified that he kept a mamba in his office at Speskop for some time. He denied that the snake was given to him by Dr Daan Goosen saying that Dr Philip Mijburgh brought it to him. Basson said he needed the snake because he was using the venom for peptide research in 1983 on animals in an outbuilding at Speskop.

Pretorius asked Basson what he knew of interrogation techniques within the military. Basson said that research was done on the subject by Chief of Staff Intelligence. And what had emerged from the research into interrogation techniques, asked Pretorius. That you cannot manipulate people, said Basson. The single most important lesson taught by Special Forces was: If the person interrogating you does not know what he is talking about, tell him any story



that you like. Talk as much rubbish as you can within the first 24 hours after being taken prisoner, so that your comrades have enough time to get away.

## **Tuesday 4 September**

Regarding cross-border abductions, Basson testified that a doctor was always assigned to an operation if Special Forces were involved. The first abduction for which Basson supplied sedatives was in 1983 or 1984, and he was involved in three or four incidents. Basson said he was asked first by Gen Kat Liebenberg and later by Gen Joep Joubert to provide the sedatives needed, but could not remember specifically which operations he was involved in. He said he never knew the identity of the abductees, but did remember that he was told during the planning for one operation that a guard of the target was a trained terrorist who had to be subdued.

Basson has no memory of being approached by Mike Kuhn of the National Intelligence Agency for medical support or medication needed by agents in various countries. As far as he remembers, the abductees for whom he supplied sedatives were members of either the ANC or South West African People's Organisation (SWAPO). Basson said that the sedatives of choice were cyclo-hexyl compounds, better known as phencyclidine, PCP or Angel Dust, a piperidine derivative made first at the University of Pretoria and then at Delta G Scientific by "one of the scientists". The only feedback he would have received was that an operation had been successful,

Basson denied ever supplying beer or canned soft drinks laced with anything, to anyone. He said such items were prepared and used for research purposes only. He would have given syringes and substances for injection to operators if a situation had arisen in which five or six of them were able to hold down a target for 30 to 60 seconds. He would have supplied a Benzodiazepine, such as Medozalam, or Valium but, said he never did, since no such situation ever presented itself. Basson said he was aware that operators sometimes placed sedatives in cans of soft drink, but said he never supplied such items.

Basson denied ever supplying Theron with any operational medication, i.e. those designed for use in the field. The only medication he gave Theron was for his personal use. Operational medication, said Basson, would include such items as morphine, Ketelaar and a range of antibiotics. Basson said the cyanide capsules he gave Theron were to be issued to deep-reconnaissance operators who faced the possibility of capture by the enemy. Basson said that on six or eight occasions he supplied anti-anxiety medication to nervous operators who had to pass through border posts in African states. Typically, these would include Ativan, Valium, Benzodiazepines or a beta-blocker like Inderil.

Basson said cyanide was manufactured in either America or Europe, and bought periodically through chemical suppliers. He said it was kept in the medical stores at Speskop and issued against an operator's signature, since, like a firearm, it could be used as a weapon. Basson said he thinks the cyanide might have been encapsulated at Roodeplaat Research Laboratories and said he did obtain cyanide capsules from Andre Immelman on one occasion, and might well have instructed Immelman to do the encapsulation.

Basson acknowledged that he was the "technology driver" at RRL, and that he decided which fields of research were to be pursued. He said the so-called compression lab at RRL was a P4 lab, while Delta G also had the chemical equivalent of P4 labs in the form of a series of mini-labs where scientists wearing protective clothing and gloves, were separated from the chemicals by a pane of glass through which they could insert their arms. No virus research was conducted at RRL, but Basson claimed it was contracted out to "other organisations" such as the Institute of Virology and various universities. He cannot remember if any virus research was done by Delta G or Roodeplaat Breeding Enterprises.

Basson said that Andre Immelman and his team tested incapacitants manufactured at Delta G from the outset, but not Ecstasy. The cocaine derivative which was to be mixed with BZ



was tested at RRL, said Basson. Samples would have been taken to RRL either by himself or Philip Mijburgh.

By 1986/87, Basson conceded, Project Coast had concluded all the research that was necessary on lethal CBW substances for conventional weapon delivery, and there was no further need to work on Sarin, Tabun or VX. The VIP component of the programme, including anti-terrorism, continued, although this was actually quite a small component of Project Coast. He said research was done on the use of laser beams and the use of lightwaves to disorientate people, for example. Through his UK contacts, Basson had learned that this technique was first used during the Lancaster House talks to find a political settlement in then Rhodesia. Simply by altering the frequency of a single neon light and putting it out of synch with the others in a room, events taking place in that room could be speeded up. The flickering was intensely irritating and the technique had apparently worked against Robert Mugabe. Those in the know would merely desensitise themselves to the flickering beforehand. Similar effects could be achieved by the use of strobe lights and laser beams. Research into sound waves as a disorientating mechanism was passed on to the police, said Basson.

Basson said that when he introduced the concept of war games in order to evaluate both the offensive and defensive abilities of the scientists, he had a hard time explaining to them the basic military principle of red and blue plans. As a result, mini-staff courses were presented at both RRL and Delta G. First his doctors taught the scientists basic pharmacology, then Basson himself taught them the underlying principles of planning. He said he devised a range of scenarios as the basis for red and blue exercises dealing with the assassination of leaders. He said Schalk van Rensburg, James Davies, Immelman, Mike Odendaal and Adriaan Botha all took part in such exercises. Klaus Psotta took part while he was still at Delta G. When viable plans were produced, the actual toxins would be given to Basson. He could not recall how many he received from 1983 to 1992. Some were obtained from Mijburgh at Delta G, but also from Johan Koekemoer and Jan Lourens.

Basson said that Immelman generally gave him the toxins or, if he was not available Davies or Stian Wandrag would oblige. Thallium in alcohol and beer would have been among the products Basson received. The next step would be to establish tactical usage. Basson said he would leave the item in the sun at Speskop for a few hours, or place it under ultra-violet light for a period of time. Then he would give the item to a troop about to embark on a route march and order him to carry it until his return. On being returned by the troop, the substance would be tested again for effectivity.

Basson said that Cantharadine (also known as Spanish Fly) was used to simulate the blistering caused by exposure to mustard gas. He said digoxin was used for research on the movement of potassium in vivo. Many experiments were conducted, said Basson. Water purification, for example, was a major problem for Special Forces, and he used cholera bacteria to test the effectivity of various purification methods. He said he also researched a variety of ways to bring CBW agents in to South Africa clandestinely, not the physical infiltration routes, which were the domain of Military Intelligence, but the different containers that could be used such as deodorants, letters and so on.

Basson said he was instructed by Gen Kat Liebenberg to do research into special applicators after Liebenberg had heard or read that such things were possible. Basson had read about such gadgets by that time, and was told by Liebenberg to "make a few so we can see if they actually work". Basson said he gave the specifications and ideas to Mr Q for development. Liebenberg placed Mr Q on leave and he worked on this project at home, where Basson called on him from time to time.

Basson said that to be of any use, these applicators would have to be loaded with toxins, and that they were all designed for clandestine use. Basson admitted knowledge of only some of the items on a list compiled by Jan Lourens – an umbrella and pen with polycarbonate balls, screwdrivers poison ring umbrella with needle tip. He claimed to have no knowledge of a walking stick with small ball missile, a time release for a teargas canister, cigarette box with



hidden blade, booby-trapped briefcase, silenced East Bloc weapon, car and other bomb mechanisms. All the toys made were, however, given to Basson for testing at RRL on animals. He estimated that production of the special applicators took place over a year.

Basson said that no such devices were ever used against any member of the South African security forces, politicians or VIPs. Basson claimed to have no knowledge about Trevor Floyd's London mission to assassinate ANC leaders Ronnie Kasrils and Joe Slovo, though he admitted that Silatrane was made at Delta G on his instructions.

Basson said he did not know who Liebenberg was to show the special applicators to but, would have had no problem if they had been used on external targets or by an SADF member in self-defence.

Lothar Neethling had obviously played a major role in Project Coast, said Pretorius. Basson said Neethling had been one of the experts Basson could consult. Basson said that Neethling had first been a friend of his father, and later, they became friends too. Basson first met Neethling in 1983, and he acted as technical adviser and consultant to Coast. It was Neethling who introduced Bart Hettema to the project.

Asked what secret orders Basson had been given by Gen Kat Liebenberg, Basson said Liebenberg had instructed him to manufacture placebos which looked like Mandrax tablets and to make contact in the Comores with "the French group". Basson said he later travelled to both the Comores and the Seychelles, which were extremely important conduits for illegal arms smuggled to South Africa during the sanctions era. Other instructions he received from Liebenberg were to draw up the psychological profile of the ideal Special Forces operator and to supply sedatives for cross-border abductions, and to set up information channels in front-line states.

Basson said that the information channels had been created by placing 7 Medical Battalion doctors in various African countries. They were responsible for remitting medical information to DST, but in the process, gleaned valuable operational information as well while treating troops in the countries where they were based. Basson said that very often the intelligence from the doctors was of a higher standard than that of the intelligence officers themselves.

Basson said that from March 1981 to December 1987, he fell under operational command of the Commanding Officer of Special Forces but, he could also be tasked by the SADF Chief, Chief of Staff Intelligence, Police Commissioner, Security Police Chief and National Intelligence to supply their operational needs in respect of Project Coast.

Why would anthrax have been added to five cigarettes, asked Pretorius. Basson said he had given the instruction for this work to be done. He said the cigarettes were then taken to the pyrotechnical lab at Speskop, where they were ignited and burned in order to establish what temperatures the anthrax spores could survive and it was found that they could survive a temperature of up to 180 degrees C.

The only problem with that scenario, Pretorius said, was that the cigarettes with anthrax were handed to (policemen) Chris, Gert and Manie, according to the Sales List. Basson said he could not comment on anything that list contained.

The list is dated 1989 and Basson said that year began with attendance of a conference in Paris on the proposed CBW conventions. He said he wrote a speech for Foreign Minister Pik Botha to deliver on this occasion, but Botha chose to ignore it and made his own. Later in the year, from August to November, Basson was in America on extended leave.

What was interesting, Pretorius pointed out, was that Immelman had testified that not a single substance would leave RRL without Basson's approval – yet the majority of items on the Sales List had been issued during Basson's American trip. On August 4, cholera; August 10, Sodium Azide; August 16, cholera again, as well as sodium cyanide; 5 September,



Cantharadine (Spanish Fly) to Koos; 13 September, Digoxin; 8 September, two snakes; 15 September, deodorant with brucella melatensis. Pretorius asked how all these substances could have been issued while Basson was in the US.

Basson said he is not convinced that they were issued.

Pretorius quoted the minutes of a 1987 meeting in the office of then defence minister Magnus Malan, where a select group of cabinet ministers were briefed about the availability of CR, and at which Basson was identified as the person to contact regarding riot control information and strategies. The SAP liaison with Basson would be in the hands of General Smit. Basson claims he has no idea what toxins Chris, Gert and Manie obtained from Immelman. He said that had he known they were receiving anything but the incapacitants he had authorised, he would probably have put a stop to the practice.

Despite claiming in previous forums that Project Coast was governed by more than adequate checks and balances to ensure that no abuse occurred, Basson cannot explain how Immelman could supply poisons to operators without authority. He said this must have been due to a misunderstanding.

### **Wednesday 5 September**

Torie Pretorius began by confirming that Basson previously testified that by 1980, a year before the official launch of Project Coast, the toxicity of lethal chemical warfare agents was already so high that there was no need to develop anything more potent.

The judge then asked what Basson knew about CBW before his 1981 trip to the US. Basson said he knew the basic principles. As a student and during his specialisation as an internal physician, he had learned about such substances as nerve gases, mustard gas and organophosphates. It was only after he was appointed project officer that he began to study the philosophy of CBW, starting with research of existing literature in the libraries.

Asked when he visited Iran in connection with the necrotising entero-colitis, Basson said 1976 or 1977. He testified earlier that his rescue mission to Zaire took place about a year after the Iranian visit, and that he was sent to Zaire by the surgeon-general after the Americans requested help for their sick scientists at a secret jungle laboratory. Pretorius pointed out that the first recorded Ebola outbreak in Zaire was in 1976, and that the South African team was led by Professor Margaretha Isaacson.

Basson said that was not the one in which he was involved, though he claimed the two incidents are linked. His mercy mission was a few months earlier, and claimed that consequently, when the "official" outbreak occurred, he was asked by Isaacson and Professor Bob Swanepoel to join "their" team, because he already had experience in the treatment of haemorrhagic fever. [Editorial note: this is denied by Swanepoel].

Basson said the American scientists he treated were admitted to 1 Military Hospital and had haemorrhagic fever, not Ebola. Although it was suspected that they had Ebola, the serology showed that it was, in fact, a variation of Ebola. He was assisted in treating them by Dr Prozesky of Pretoria University. Basson said the patient, Del Conn, who was flown to South Africa under Isaacson's care, was merely admitted to Rietvlei Fever Hospital "in transit" and almost immediately transferred to the US.

Basson testified that the mycotoxin which attacked the Iranian potato crop and killed hundreds or thousands of people, was not potato blight but a fungus, Tricotesine, found only in one other area of the world, South Africa's Koue Bokkeveld region. The SA Defence Force team sent to Iran, which included Basson, had to identify the fungus, treat the victims and advise the Iranians on how to deal with the fungus. The entire exercise was co-ordinated by the then South African ambassador in Vienna, said Basson.



Pretorius asked Basson why, if all the poison contaminated alcohol, cigarettes and chocolates made at RRL had been required by Basson solely for training purposes or further experiments, had he requested a 2 litre bottle of Coca Cola containing a pathogen that could cause diarrhoea as late as 1992. Basson said he was still conducting experiments until 1992. Basson said he did not know why he would have requested 30 Phosphide tablets from RRL on May 30, 1989, and has no memory of six cans and three bottles of beer which he received, according to the Sales List, on June 21, 1989.

Basson said the training lectures he presented at Speskop and the Military Intelligence College were attended by Special Forces members whose job was to gather intelligence in foreign countries. Basson said his task was to educate them so that they would survive and to this end, he used chocolates, milk, whisky, tea, coffee, whatever was appropriate, laced with poison to illustrate his points. He said he took laboratory animals along for the lectures and drove home the dangers with "graphic illustrations" by feeding the animals the poisoned food or beverages. He said the students "loved it". Basson said he had not informed Schalk van Rensburg about his use of animals, because he did not take them from RRL. He bought white mice from petshops, then fed them poison chocolates, for example. Fish, too, were used.

Asked if he would see himself as an intelligence agent, Basson said he played an active part in various intelligence operations. He claimed that he had acted as a double agent.

Despite the fact that there is no scientific evidence to support his belief, Basson said he remained convinced that Sam Bosch was the victim of poisoning. Pretorius asked if, at the time, Basson was engaged in a dispute with "the English Mafia" over a consignment of Sassafras Oil, a deal which also involved contacts from the Far East. Basson said he was, £150 000 had been paid for the product, which was found to fall far short of expected quality when delivered. It was possible, he agreed, that Bosch may have been caught in the crossfire of this dispute.

Pretorius said he could not understand why the CCB, which fell under the direct command of Special Forces and was known to have used poison to eliminate targets, had never once asked Basson, the unquestioned expert in the field, to supply them with any toxins. Basson said it could have been that they did not use poison or that they had another source.

#### **Thursday 6 September**

Basson began by admitting that it would have made no physiological sense to encapsulate any incapacitants as part of Project Coast. He said Andre Immelman might have encapsulated some substances as part of the tests conducted on animals, but there was no encapsulation on large scale. Nor was any physiological evaluation of the effect of incapacitants done on humans as part of Coast, not even by Lifestyle Management, despite the fact that it had been put to Dr Johan Koekemoer during cross-examination that it made "perfect sense" for physiological evaluation to be done in the form of encapsulated incapacitants.

The infrastructure to manufacture both tablets and capsules did exist, and was run by Steven Beukes, but was not used to produce samples for physiological tests. Pretorius asked how the physiological evaluation of the incapacitants been carried out on humans. Basson said that tests on methaqualone had been carried out internationally over a long period of time. He said BZ had been tested as part of the American CBW programme and documents relating to the results had been obtained by Project Coast. He said later the Russians evaluated the BZ variant produced in South Africa, and these documents, too, were obtained. The same applied to MDMA variants, tested by both the Americans and Russians.

Basson claimed that the Russian evaluation of Ecstasy began in the mid-1970s and was a lengthy process. Basson claims he obtained documents about the tests in person when he visited the Academy of Sciences in Moscow during 1990/91. He said that the Americans evaluated BZ in its original form. The South African variant included Carboxy-Methoxy-



Benzoxypitropane – abbreviated as CB which stabilised the BZ and reduced aggression levels. The aggression was picked up during physical evaluation which Basson saw in Moscow and Leningrad during 1990/91, when the Russians tested the pure substance on groups of 10 troops, using both a powder and liquid form of BZ, the latter delivered by aerosol.

Basson said he estimated that 24 incapacitants were manufactured by Project Coast, and said he believes some were fed to test animals in capsule form up to 1988/89. Basson said the encapsulation machine operated by Beukes was initially installed at Speskop, then moved to a section of Delta G Scientific rented by Medchem Pharmaceuticals. He said it was originally purchased to encapsulate medication for the resistance movements in neighbouring states.

Basson said it was possible that Beukes may have encapsulated some incapacitants. Basson said that Project Coast produced derivatives of Cannabinoids, benzodiazepines, Methaqualone, Phentiazimine, Cocaine and Phencyclidine as part of a continuous project by Delta G to alter the molecules of the substances, which were then tested at RRL.

Basson testified that Delta G had the capacity for large-scale production of various incapacitants, but only two (methaqualone during 1986/87 and MDMA in 1992) were manufactured in more than laboratory scale. Basson conceded that 70% of the substances made had the potential for abuse as street drugs. He said he was not a regular visitor to Delta G, due to the security risk, and although he told Delta G what research was to be done, he had nothing to do with how it took place. Basson received research reports on a monthly or three-monthly basis.

Basson said that all the MDMA and methaqualone produced at Delta G had to be delivered to him personally. He claimed it was stored at the SAMS medical depot in Dequar Road, in a storeroom to which only he had the key, and that the premises were under military guard. Mandrax, BZ, Cocaine, Ecstasy and CR were stored there. He estimated that 17 or 18 tons of CR were produced over a two to three year period.

He said that incapacitants had been a central theme of CBW doctrine for 30 to 40 years. LSD had been considered as a CBW agent during the 1950s, while amphetamines were first tested by the Germans during World War 2. Basson did not know at what point Ecstasy was examined as a possible incapacitant but said it was possibly during the 1950s. He said that the Edgewood Arsenal code for Ecstasy indicated that it was tested by the Americans during the 1960s and 1970s.

Basson said that some psychotropic drugs are known to cause permanent damage, such as certain BZ derivatives, which may even trigger psychosis. He said tests on animals had proved this, and that further research was done. He said that recommendations about which incapacitants were to be produced by Project Coast were made by members of the Technical Work Group, the final decisions taken by the CMC. Basson said that Ecstasy causes a sense of euphoria, while Mandrax (methaqualone) dulls all emotion and may even induce sleep. BZ causes altered perception, hallucination and emotional mood swings. Cocaine has the same effect as Ecstasy, but is more intense. Basson claimed that by mixing Cocaine with BZ, the aggression levels were lowered – for example, troops would not be inclined to shoot their own comrades. Why, asked Pretorius, had it been decided to concentrate on these four incapacitants? Basson said it was because the substances used had to be compatible with the pyrotechnical demands, and a selection of psychotropic drugs was wanted. He said the effects of BZ can last "for days". The effects of Mandrax differ according to the various derivatives. Ecstasy, an amphetamine, is essentially a "feelgood" substance, as experiments all over the world, in the US, Russian and the UK, but not necessarily in South Africa, have shown. Basson said that once exposed to Ecstasy, rioting hordes "would not want to throw any more stones".

During his bail hearing, Pretorius pointed out, Basson had said the supply of drugs to Project Coast was in terms of an arrangement with the Police Commissioner. Basson said the arrangement had been with several Commissioners of police as they changed office,



including Mike Geldenhuys, Johann Coetzee, Hennie de Witt and Johan van der Merwe. Basson said he had signed for the drugs supplied by the Forensics Laboratory, and fetched them himself, except in extraordinary circumstances, when this task was carried out by Philip Mijburgh. While heroin and methadone, for example, would be supplied only a few grams at a time, 500 000 Mandrax tablets and nine tons of cannabis were obtained from the SAP. A large quantity of methaqualone in powder form was also supplied.

The Mandrax was given to Mijburgh or the scientist in charge of the methaqualone research at Delta G, and the active ingredient would be extracted during a complex process. Basson said Project Coast needed the formula for Mandrax because the manufacturers, Roussel Laboratories of France, refused to supply the SADF.

Basson claims that Lothar Neethling issued a certificate of indemnity, signed by the Minister of Police, for the drugs, CS and CR teargas produced by Project Coast. This was a requirement of the CMC and was probably issued in 1984 by then Minister of Law & Order Louis le Grange. The certificates, given to the CMC, indemnified Project Coast from prosecution for work on any substances up to and including Schedule 9.

### **Friday 9 September**

The existence, or not, of written ministerial authorisation for Project Coast to produce vast quantities of potential street drugs, remained in dispute. In a statement made to Colonel Neels Venter in 1993, following discovery of drums of methaqualone in a deserted plant at Delta G Scientific, Basson insisted that such authorisation had been issued.

He claimed that at the start of the project, he and then surgeon-general Nicol Nieuwoudt spoke to then CID chief General Zietsmann and explained that the costs involved in the CBW programme would be considerably reduced if raw materials in the form of confiscated street drugs could be obtained from the SAP for experimental purposes. The objective was to ensure consistence and predictable results from the incapacitants envisaged, before launching mass production.

However, documents used during the January 7, 1993 briefing of Defence Minister Gene Louw on the CBW programme specifically deal with the potential abuse of street drugs, pointing out that the substances involved are subject to stringent international controls, and that if the incapacitants are to be further developed, the incumbent Minister of Law and Order would have to authorise substances "which are already in our possession".

Basson claims this was because there was a new political dispensation, and that the earlier permits would have had to be renewed by the minister responsible. He denied that he furnished Niel Knobel with the names of scientists who might have to be offered legal assistance, because they had been involved in the production of the drugs, saying his concern was that staff of Delta G Scientific could face civil claims when it became public knowledge that they had worked with hazardous materials in the middle of an industrial park. At the time, the names of all SA Defence Force members involved in classified projects had to be given to the Defence Minister amid official concern over various allegations in the media about covert operations. For some time, Basson pointed out, the former Defence Minister had publicly denied even knowing of the existence of the Civil Cooperation Bureau.

Basson could not remember when he drew up the list of names of employees, but thinks it must have been during 1995, after Georg Meiring became SADF Chief. The document is undated, but the State contended that it was only compiled after Basson's arrest in January 1997. Basson denied this.

Basson said the methaqualone produced at Delta G was stored at various sites and quantities were withdrawn from the stores for weaponisation as needed during 1988/89. At that time, the weaponisation was halted, due to adverse side-effects when the substance was tested on primates, and further research was done to find an improved variant.



Basson said that the evaluation and weaponisation to pre-production stage for mortars was done at Speskop, where the pyrotechnical tests were carried out by himself, Hekkie van Heerden, Bill Grieves and members of the Army's Engineering and Ammunition corps.

Basson said he and Van Heerden devised the formulas for weaponisation according to which the methaqualone was compacted into tablet form before being aerosolized. The tablets varied in size and the intention was to weaponise a maximum of 500 to 2 000 projectiles, including hand grenades, 81mm mortar bombs and 155mm projectiles. He said the payload of an 81mm mortar was around 500g, that of a hand grenade 350g. No further physiological tests were done on the weaponised methaqualone since adequate testing had been carried out previously by both the Americans and the Russians.

Basson testified that Special Forces and SAP Task Force volunteers did participate in smoke tests on an "informed consent" basis. The first tests were done in 1989, he said, but again, side-effects were observed, and it was decided to seek yet another variant, which was successfully found in 1991/92. Tests were done on baboons at Roodeplaat Research Laboratories first, then on human subjects. Basson said the only incapacitants ever used during armed confrontation were the CR mortars used at Tumpu in Angola.

Basson said strict control was exercised over the methaqualone at Speskop, with registers of all use being kept. He said that of all the substances weaponised, methaqualone proved the most difficult, and the total 900kg produced by Delta G was used. Basson explained that the acceleration of the incapacitant programme coincided with the political negotiations from the end of 1991, and instead of running until 1994/95 as had been planned, the weaponisation had to be completed by the end of 1992.

Basson said the purchase of all raw materials for incapacitants was his responsibility. In order to obtain the four tons of BZ, as well as Sassafras Oil, Pretorius pointed out, he must have had to identify the major drug barons and deal with them. Basson agreed saying that he was able to call on his Libyan, East German and Russian principals, the British, Swiss intelligence and Jerry Brandt, in order to identify potential sources. He said the 80kg of Cocaine were bought in Peru through a "high-placed government official" with no SADF links at the price of \$250 000 to \$300 000. No import permit was issued for the drugs to be brought into South Africa, but Basson claimed that Lothar Neethling knew about the deal. He said the Cocaine was shipped from El Paso and Austin in Texas to South Africa under a consignment of bananas which were allegedly sold to recoup some of the costs incurred.

Basson said the Cocaine was stored at the Defence Supply Depot and "highly satisfactory" pyrotechnical tests were carried out by Basson and his Ammunition Corps assistants. He said the Cocaine was bought in April/May 1992, and from the middle to the end of 1992, tests were conducted on both the Cocaine alone, and the Cocaine/BZ mixture.

Basson said the BZ was acquired through his Libyan Principal, who both identified the supplier and negotiated the deal, at a cost of between \$2-\$3-m. BZ, he said, was weaponised to the pre-production stage. The only substances not weaponised, said Basson, were the last consignments of methaqualone, and the MDMA produced under Project Baxil, because Coast ran out of time. Pyrotechnical tests on the Ecstasy were conducted during 1992, but the final data on this substance was obtained from his Russian sources. He said BZ was weaponised in hand grenades, 81mm mortars and 155mm projectiles, though in the case of the latter, the process went only as far as filling the canisters.

He claimed that pyrotechnical testing and weaponisation of the BZ took place in what was known as the Pilot Plant at Speskop, which had been demolished and rebuilt in 1986. He claimed that three tons of BZ were used, one and a half tons of them just to find the formula. Basson said Neethling was aware of the BZ development.



According to the drug destruction certificate, 1 000kg of methaqualone were dumped in the sea. Basson explained that this was made up of two separate 500kg consignments, the first of which was delivered in 1991.

In a letter to Knobel dealing with Basson's contract appointment to Project Coast after he was fired from the SADF, he noted that on November 9, 1992, 500kg of methaqualone were on hand, and that the next batch was in the pipeline, but that the suppliers had launched a campaign to embarrass both him and the South African government.

Was it not true, asked Pretorius, that the supplies in the pipeline were actually seized in London and had to be destroyed. Basson denied this saying there were a number of attempts by the Croatians to severely embarrass South Africa, for example through a consignment of arms shipped through Botswana. Those had been seized in London, and he had informed the Swiss authorities of this when he was arrested in December 1993.

On learning of the arms seizure, Basson said he had managed to get hold of Roger Buffham and Dr David Chu, and they had gained access to the British Customs warehouse where the arms were being held, and had removed them. This, he said, happened in April, May or June 1993, and in the process, Buffham and Chu helped themselves to a consignment of fur coats as well.

Basson said he was not involved in any arms deals with Croatia, but through his dealings with that country, kept an eye on developments on behalf of Chief of Staff Intelligence.

Basson testified that all the MDMA (Ecstasy) produced as part of Project Baxil was delivered to Basson. A total of one ton of MDMA was produced. He said his request that Delta G employees be offered indemnity from prosecution arising from their work, was needed because by that time, Delta G was already privatised and no longer a military front company. As MDMA was a Schedule 6 substance at the time, permits ought to have been obtained from the Medicines Control Council, but there was no time to do so, so Knobel and Neethling arranged authorisation between them.

Basson said the BZ/Cocaine blend had never before been weaponised in this way. Project Coast's methaqualone derivative, tested on the police until 1988, was also unique, but because of the increased aggression levels, which lasted for days after exposure, the new improved variant would have been tested in 1993. Physiological tests were done on animals, and the human subjects were tested in a closed room, where smoke was ignited. Basson said he never issued instructions for encapsulation of Ecstasy "in South Africa or anywhere in the world".

Despite having previously testified that he demonstrated four mortars loaded with BZ, methaqualone, Ecstasy and Cocaine in the field in front of the Speskop buildings, Basson said there was no Ecstasy mortar. He said Speskop did have an ammunition test range, but the mortar bombs were not actually fired, the incapacitants were merely ignited to create smoke.

Pretorius tried to get exact answers about the purchase of the BZ. Basson said that four tons had been bought in April/May 1992, and 1,5 tons were used just to find the correct formula. The drug destruction certificate lists 900kg of BZ being dumped in the sea but Basson claimed this was the BZ variant, destined for weaponisation during 1993. He said the 2,5 tons of the original BZ left after the formula was found, went to Delta G for development of the variant and the final yield was approximately one ton.

Basson said the ratio of weaponised BZ to Cocaine was 10:1, yet 37kg of Cocaine were allegedly dumped after "hundreds" of 81mm mortars and hand grenades had been loaded with the BZ/Cocaine blend.



Product P, of which 12kg were dumped, was identified by Basson as Phencyclidine, PCP or Angel Dust. He claimed there must have been up to 200 mortar bombs in the cardboard boxes, as each can take up to 80 bombs.

Pretorius pointed out that a minimum of 88kg of Ecstasy remain unaccounted for. Basson explained this by saying that it could be because it was used for experiments, or perhaps Delta G did not deliver an exact ton.

Basson said that after being fired from the SADF, he began exploring various business interests in 1993, working as a consultant, offering his expertise in project management and looking into various financial and import/export deals. At some point, Jerry Brandt told Basson he had met Sol Pienaar, who had excellent contacts within the ANC that could lead to lucrative business opportunities. Basson offered to lend this group money to set up Global Capital Investments. He lent Wentzel R60 000, Brandt and Pienaar R30 000 each, and made up the balance of the R160 000 start-up capital with an investment of his own. The loans were repayable at 20% interest, and formal agreements were signed. Basson claimed he cut his ties with Global after their first deal.

Basson said that Libgro was a company he and Mijburgh set up to market project management services in Libya. Basson claimed he paid for his first trips to Libya himself and the Principals bore the costs.

Pretorius will conclude his cross examination of Basson on Monday 10 September and Anton Ackermann will continue on the Tuesday thereafter.

## **Trial Report: Fifty-Five**

**This report covers the period Monday 10 September - Friday 21 September 2001**

### **Monday 10 September**

Basson told the court that part of Delta G Scientific's cover story was the fabrication of documents to indicate that substances were bought from Eastern Bloc countries, and China, purified by Delta G and then resold internationally. He said that these countries had huge networks for moving chemical products, but the quality was poor. He said that some agricultural chemicals were bought on this market, cheaply, purified and resold. He claimed that neither the WPW Group nor the Principals were involved in any such deals. Raw chemicals were bought with Delta G funds and the proceeds of the refined products went back to the company, or to Medchem Pharmaceuticals. Some of these products, said Basson, were registered with the Medicines Control Council.

He said that the mortar shells imported from Israel for weaponisation of CR were filled at Swartklip Products and that steel for the canisters was imported from Brazil. Basson said that no pyrotechnical tests had to be carried out, as the existing CS specifications were merely adapted slightly, and only the finished 81mm mortars were tested at Swartklip. Basson has no memory of the import deals, which took place in 1987/88, but believes a few hundred, perhaps 1 000, mortars were weaponised with CR. He said the only mortars used were those used at Tumpu in the final stages of the Angolan war.

He also claimed that all the equipment and apparatus in the tissue culture laboratory at Speskop was bought as part of the peptide synthesiser package deal. The equipment included incubators, microtomes, homogenisers and flasks. [Ed Note: this is the first time that Basson has claimed that this equipment formed part of the deal].

With regard to the weapons deal which Basson claimed he was discussing with Grant Wentzel at the time Basson's arrest on charges of the possession of Ecstasy in 1997, Basson said that in 1995 he began advising Grant Wentzel on a wide range of weapons, from artillery



pieces to handguns and ammunition. He said that by 1996 the deal had been downscaled, and only infantry platoon weapons were involved. Later still, the deal changed again, and Wentzel was negotiating the sale only of 40mm grenade launchers and ammunition. All along, said Basson, Wentzel's story was that the buyer was Pakistan, but as time passed, Basson realised that this was merely to be the export route, and he thought the probably buyer was Libya – but it might just as easily have been Iraq or the Palestinian Liberation Organisation. The least likely candidate was Iran.

Initially, Wentzel was to sell only enough weapons for evaluation purposes, and Basson advised him that between 3 000 and 5 000 would suffice. Wentzel was to obtain the weapons from Austria, then he had a Spanish contact, although Basson recommended he deal only with Swartklip Products, but in the end, Wentzel told Basson he had negotiated a better price with South American suppliers. This was conveyed to Basson only on the Monday before his arrest on January 29, 1997, and Basson immediately warned Wentzel that by dealing with South Americans, "the Jews" would immediately be informed.

Prosecutor, Dr Torie Pretorius put it to Basson that this scenario was highly unlikely, invented by Basson solely as a way to explain some of the words he used during the taped conversation with Wentzel during the police operation. Basson explained in detail his version of the events on the day of his arrest. He repeated the claim made by his defence counsel earlier in the trial that Wentzel had given him a box of wine and he later discovered a black plastic bag placed in the box which was later found to contain the MDMA capsules. He said that he met with Wentzel in order to return the bag. He said placing the bag in the wine box must have been an error on Wentzel's part.

Basson could offer no explanation to references on the tape by Wentzel to "the last two worried me", "they first complained about the price, so I called off the deal, then they phoned and said they'd take 2 000 because they have an order for Cape Town". Basson said that when he heard Cape Town, he assumed Wentzel meant he was going to buy the grenades from Swartklip Products after all, but he cannot explain the reference to goods being intended for Cape Town – unless, he added, Pagad [People Against Gangs and Drugs, a Cape Town based organisation] was involved in the deal. In that case, he said, Wentzel would have had even more reason to fear for his life, as the Israelis would not have been happy to learn that he was selling arms to Muslims, it could have led to real trouble with Mossad. Referring to the murder of Alan Kidger, Basson said, after all, the last person who "cheated the Jews" ended up cut into little pieces in the boot of his car when a red mercury deal went wrong.

Basson claimed that in December 1996 Michael Kennedy of the National Intelligence Agency offered both he and his wife the chance to start a new life in America, under the protection of the United States Central Intelligence Agency. He said that in terms of a deal made between NIA and the CIA, they would both be given new identities. He said he could not have accepted his offer since his wife would not have been prepared to leave the country.

Basson was questioned about the documents which were recovered in trunks stored at the home of one of his associates after his arrest. He admitted that some of the documents were his, but said that he had no knowledge of the trunks. Basson is charged with the unauthorised possession of Top Secret military documents.

## **Tuesday 11 September**

Pretorius concluded cross-examination on his section of the case by dealing with the documents – totalling some 4 500 pages – retrieved from the four blue steel trunks left in Sam Bosch's care. Basson said he and Philip Mijburgh fetched Roodeplaat Research Laboratories (RRL) documents and files from Dr Andre Immelman at a smallholding at Kameeldrift, outside Pretoria, where he was living at the time. By that time, he said, much of the RRL and Project Coast data had already been captured on Sefmed's central computer data base as part of an ongoing project launched in 1989. Basson acknowledged that it was standard operating procedure for all documents relating to the project to be destroyed once captured on computer or CD-ROM.



Regardless of where the documents were before being packed into the trunks, Basson said that at no point had he realised that between 1995 and his arrest in 1997, a significant volume of documents, both personal and professional, were missing. He assumed that the personal items were in storage, and as far as he was concerned, everything relating to Coast had been shredded. He could offer no explanation as to why anyone would have packed the documents in the trunks and stored them with Bosch.

After posing more questions about the specific nature of the documents in the four trunks, Pretorius summed up his case. He said that the entire defence and progression of the trial had been planned with military precision, with Basson making up imaginative explanations for every accusation as the case against him unfolded. Pretorius said Basson had deliberately misled the court on numerous points, down to moving the date of his appointment at Speskop, and launching a concerted attack on witness Johan Theron in order to belittle and demean him. Pretorius said this was a strategy also used against every person who incriminated Basson in any criminal activity. Yet Basson could offer no credible or logical reason why so many people, from so many different levels and branches of the South African Defence Force, would falsely implicate him in specific murders and the conspiracy to eliminate enemies of the state. Taking all the evidence into account, Pretorius said, there could be no doubt that Basson was guilty as charged.

Anton Ackermann then resumed cross-examination on the fraud charges. Regarding the alleged purchase of methaqualone and BZ from Croatia, Basson said that the deal, organised through Jurg Jacomet, had nothing to do with the Principals, but was included in the alleged Swiss intelligence service deal put together by General Peter Regli. Ackermann put it to Basson that there never was a Regli deal, and that the \$2,3-m transferred to the Zagreb bank account of Jacomet, allegedly to pay the Croatian suppliers of methaqualone, was actually sent abroad to be utilised by Bernard Zimmer on behalf of the WPW group. Ackermann said that when the bulk of these funds were stolen by Jacomet, it was impossible for the money to be routed to Blowing Rock Consolidated Investments, which nevertheless borrowed R4,5-m from Medchem Consolidated Investments in January 1993. But, said Ackermann, MCI did not have the funds to lend BRCI at the time, and had to first make a loan from RRL.

Basson claimed that the \$2,46-m transferred from Project Coast to the Blackdale account in April 1992 was used to pay for four tons of BZ. He said that no realistic price could ever be determined for the substances bought for Project Coast, and project auditor Petro Theron had to be led by information provided to the Co-ordinating Management Committee by Basson.

Basson said that various channels were used to procure chemicals, Organochem imported large quantities of raw materials for Delta G from companies in Hong Kong, Japan and the United Kingdom.

Although the drug destruction certificate reference to Product B had been identified by Basson as a ton of the BZ variant, Ackermann produced several other documents which mention both Product B and Product A. But these, said Basson, were merely code words used to identify heliotropine and ACPA (a methaqualone component) respectively, and bear no relation to the Product B which was dumped in the sea. He claimed Jerry Brandt bought more than 1 000 litres of ACPA from Germany and handed it to Johan Koekemoer, who made MDMA from it.

### **Wednesday 12 September**

The focus of cross-examination continued to be on, what Basson claimed, was a joint deal between the head of the Swiss intelligence service, General Peter Regli, and Croatians. In terms of the deal, Basson said he would purchase 500kg of methaqualone and Regli, through Jurg Jacomet, would acquire a clandestine consignment of "nuclear material".

Basson claimed that after he was detained and questioned in December 1993 by Swiss authorities about this deal, and subsequently ordered by the South African Defence Force to



sort out the mess and recover the missing money, he enlisted Regli's help, and that the Swiss Military Intelligence chief's visit to South Africa was specifically to explain the situation to Gen Knobel.

State prosecutor Anton Ackermann put it to Basson that despite his elaborate explanations, there was only one amount in the order of \$2,46-m transferred abroad by Project Coast from 1991 to 1993, and that the funds allegedly used to buy four tons of BZ in April 1992 and the Croatian methaqualone in October/November of that year, were one and the same. Ackermann elicited an acknowledgement from Basson that he never provided auditor, Petro Theron, with any documents showing that the project funds had been encumbered by the creation of the divisible bond which lies at the heart of the Croatian deal.

Basson said the reason written initial answers by Gen Knobel to the Office for Serious Economic Offences questions about the Croatian deal make no mention of Regli, or a joint covert deal, is that the Co-ordinating Management Committee decided only in March 1994 to disclose these details. He said it was only in May, after Regli's visit to South Africa, that Knobel was authorised by the CMC to link the Swiss intelligence chief to the deal, although the CMC had known of his involvement since the beginning of 1993.

Basson said no supporting documents were ever furnished to back up these claims because they had all been seized in the interim by the Swiss authorities and he could not gain access to them. Ackermann put it to Basson that in fact, Knobel was never informed that a divisible bond had been created as part of the joint deal in a bank account under Regli's control, and that Knobel had testified that the first he heard of this was when it was put to him during cross-examination by defence counsel Jaap Cilliers.

Basson said he became aware that the Swiss intelligence service was trying to acquire what he assumed were nuclear materials, while he was visiting the Academy of Sciences in Moscow, with Jacomet, in February 1991. He said that while he (Basson) was negotiating with the Russians to buy methaqualone, Jacomet was trying to buy enriched uranium. Basson did not know if this was an officially sanctioned Swiss intelligence deal, and only realised some time in 1992 that Regli was involved.

Basson said negotiations with the Croatians, to whom the Russians referred both Basson and Jacomet, took "months". It was due to the presence of the Croatian Minister of Energy Affairs at some of these talks that Basson concluded nuclear material was involved. Clearly, said Ackermann, the Swiss part of the deal was ultra-sensitive. Why, he asked would Regli have any interest in linking it to Basson's drugs deal? Basson could not provide an answer.

Basson said that Jacomet, had previously been a member of the Swiss Air Force, who sustained an eye injury and then moved to Military Intelligence, using business deals as his cover story. As far as Basson was concerned, Jacomet was a bona fide intelligence agent and he knew that because Jacomet arranged that Basson and Lothar Neethling travel in a Swiss army helicopter to "the Swiss chemical and biological warfare laboratory", AC Laboratorium Spiez. Basson said Jacomet was also able to arrange that whenever Basson, Knobel or Neethling visited Switzerland, their entry was not recorded by customs and passport control. Basson said it was Jacomet, too, who originally arranged for Basson and Neethling to meet Regli, and following this initial meeting, "everything" Project Coast needed in Switzerland was facilitated by Regli.

Ackermann put it to Basson that Jacomet was not a Swiss agent, but a financial wheeler and dealer, and at most, an intelligence informant. In that case, said Basson, Jacomet was the "best wheeler and dealer" in the world. The only private company he knows of with which Jacomet was associated, was Intermagnum. Basson said he does not believe the company Hierholzer & Partners, on whose letterhead Jacomet faxed him a quotation for 600kg of Quinezoolione @ \$5 000 per kilo on November 5, 1992, actually existed. The document was used by Basson to motivate the transfer of funds from Coast for the divisible bond, but he now says it was merely part of his cover story, like the bulk of documents created by Roger



Buffham. But, Basson also said, it was this document which he used after his detention in December 1993 to exert pressure on Regli to "set the record straight" with Knobel.

Regarding the forged Banco di Napoli bonds, Basson said all he wanted from that deal was the \$1,5-m being held to ransom by the Croatian authorities. Basson said Jacomet and Henrik Thomsen, who has previously been described by Basson as having been a Danish secret agent, had intercepted the bonds. Basson said Thomsen gave him Banco di Napoli bonds with a face value of \$5-m as a goodwill gesture, after telling him he was in possession of bonds valued at \$100-m, and advised Basson that he should use the documents to blackmail the corrupt Croatian officials to release the frozen funds. Basson said he had known Thomsen, who had family living in the Ukraine, since the end of 1992. Basson said that Thomson had a naval background and worked for Jacomet, and was present, along with an unnamed Swiss Military Intelligence major, during negotiations between Basson, Jacomet and the Croatians.

#### **Thursday 13 September**

A document drawn up by Basson in which he stated that R6,6-m of Project Coast's budget was brought forward from the 1993/94 financial year in order to purchase chemicals needed for the accelerated incapacitant programme, came under review again. Basson said that the document was compiled in mid-1993, on his return to South Africa after first being held and questioned by Swiss authorities about the forged Banco di Napoli bearer bonds. He said the funds must have been moved from the 1992/93 financial year, as the orders were to purchase all chemicals needed by the end of 1992, so that weaponisation could be concluded during 1993. This was in terms of a decision taken by the Co-ordinating Management Committee at a meeting in October 1992.

Basson said that when he was interrogated by the Swiss police he had stuck to his prearranged cover story as far as possible, but there would have been no point to denying his identity, as it was obvious from the start that the interrogating magistrate knew that he was a brigadier in the South African Defence Force. Basson said he did not reveal his connections with Project Coast, but pretended that he was investigating arms trade between South Africa and Croatia on behalf of the South Africa "secret service". He said he needed to protect the origin of the Banco di Napoli bonds, so transposed the circumstances surrounding the Trans American Securities bonds, claiming he had paid £5 000 for the bonds. Basson said this story was concocted in collaboration with "Regli's people."

#### **Friday 14 September**

Basson disclaimed all knowledge of a plan, outlined in a letter from Jane to David Webster on September 17, 1992, to transfer certain assets held by the WPW group to LUFT. The assets included the two apartments in Brussels, the cottage at Warfield, England, and the condominium in Orlando and were to be transferred "on Basson's instructions", according to Jane Webster's letter. Although Basson has no memory of this asset transfer at all, he claimed that all the documents pertaining to these moves would, in any event, have formed part of the cover story for "an operation" of which he has no recall.

Prosecutor Anton Ackermann put it to Basson that the \$2,3-m sent to the Zagreb bank account of Jurg Jacomet by Project Coast was never going to be used to buy methaqualone from Croatia, but was, in fact, either to finance the ailing General Golf Investments (owners of the Five Nations Golf & Country Club) or would have been roundtripped as a loan to Careen. Neither scheme materialised, says Ackermann, because Jacomet stole half of the funds. Ackermann said Basson's claim that during 1992, Project Coast was involved in two deals in the order of \$2,3-m, was a fabrication. He said Basson's claim that the first amount (which cannot be traced in any of the bank records) was used to purchase four tons of BZ, had been made for the first time in court, despite the many questions and investigations involving the funds stolen by Jacomet. He said the BZ deal had been made up by Basson only after he had seen forensic auditor Hennie Bruwer's report on the flow of funds, and realised that he had to create a defence. Basson denied these accusations.



Basson said he told no one, including Webster, that he was placed on compulsory pension by the South African Defence Force from March 31, 1993. However, he said he did tell Webster, Zimmer and the Principals that he was "tired" of setting up and administering the vast front organisation, and that he would be extricating himself from the situation during the course of the year. This, he said, naturally entailed the shutting down of existing front organisations and companies. He was involved in this operation until his reappointment to 1 Military Hospital in October 1995. Even after that date, he said he had contact with the Principals once or twice. It would not have been possible for the Principals themselves to assume administration of the front companies, said Basson, as by doing so, they would have blown their cover.

Court adjourned until Tuesday, September 18, to allow defence advocate Jaap Cilliers to attend to an appeal in a non-related case on Monday.

### **Tuesday 18 September**

Ackermann returned to the question of the laboratory at the Special Forces headquarters, Speskop. Basson said the laboratory staff included a man whose surname was Cadwell, an Englishman whom he said was recruited by the MAIS Corporation in Switzerland, but whose first name he cannot remember, a Bulgarian, whose surname is Jorgev, Hekkie van Heerden, Basson himself and two or three "youngsters" from the Army Ammunition Corps. Basson has no idea what happened to Cadwell, with whom he has had no contact for several years, but said he probably returned to the UK.

Anton Ackermann put it to Basson that no such laboratories existed at Speskop, and asked if Basson could produce or identify a single document, report or briefing to support his claims. Basson said he could not since any documents that might have existed, would have been destroyed after being captured on CD-ROM. He said that the Co-ordinating Management Committee was at all times aware that the pyrotechnical ability of three new incapacitants was being tested at Speskop.

But, said Ackermann, by Basson's account, the work done at Speskop was groundbreaking science and he must surely have briefed many select groups on it. Yet not a single document even mentions the existence of such a facility, and expenditure for the laboratories is not reflected in a single Project Coast budget breakdown. That, said Basson, is because the salaries of Cadwell and Jorgev were included in the initial peptide synthesiser package deal, and Inffadel covered the running costs of the laboratories which ran to a maximum of R100 000 a year.

None of the documents compiled by Basson's successor, Col Ben Steyn, make mention of the Speskop laboratory, or of peptide synthesis, or weaponisation of incapacitants other than CR, which was done by Swartklip. Basson explained that Steyn did not have to be briefed on the historical aspects of Coast. He said that from 1984/85 already, Dr Hennie Bester and Dr Kobus Bothma had been involved in the CR weaponisation, along with Mijburgh, and claimed they had taught Swartklip Products how to carry out the task, after Basson and Lothar Neethling had laid the foundation by devising the correct formula. He said the pre-weaponisation tests could only be done at Speskop, although synthesis of molecules was done at Delta G, not at Speskop.

Basson said methaqualone had been rejected as an incapacitant in 1988, but further research produced an analogue, which was weaponised during 1988/89. He said the first methaqualone mortars were weaponised at Speskop in 1988 by Van Heerden, Bill Grieves and the Ammunition Corps staff.

According to documents, the only substance approved by the Defence Command Council for weaponisation by October 1990 was CR but, Basson said, the CMC periodically approved the weaponisation research on other incapacitants, and the Speskop laboratory took this work to the pre-production stage.



Basson now claims that in addition to Swartklip Products, other Armscor subsidiaries were also involved in weaponisation including Somchem, Kentron and one other, the name of which he could not recall, built weapons delivery systems, he said. He said that it was he and Neethling who devised the correct formulas for weaponisation. He said thousands of pyrotechnical tests were carried out in the Speskop laboratory, and hundreds were conducted in the field in front of the buildings between 1988 and 1992.

Questioning then turned to the Chemical Agent Monitors. Ackermann asked Basson whether there had been any verified chemical attack in Angola during the SADF's involvement in the war in that country. Basson confirmed that he had been involved in two incidents, in 1986 and 1988, in which he had treated patients who had showed symptoms of no known medical condition. This, he said, resulted in the deduction that they had been the victim of chemical attack of unspecified nature, but most likely a nerve gas. The problem, said Basson, was that by the time the patients reached a treatment centre, it was seven or eight days after the attack, and blood tests were of no use, but all of them described having fallen ill after being exposed to "funny smoke".

Ackermann put it to Basson that in truth, there had not been a single verified chemical attack in Angola, as testified by Brian Davey. The judge intervened to ask whether Davey was more of a CBW expert than the accused. Ackermann said Davey was, and that Basson had duped the SADF, playing up the threat of chemical attack in order to persuade them that he had to spend vast amounts of money on research and defensive measures.

The Judge said that he had a problem with the State case, which centres largely on the non-existence of two laboratories at Speskop. He asked what the State would do if the court found it reasonably, probably true that there were, in fact, special laboratories at Speskop. The Judge should perhaps remember, Ackermann said, on what grounds he had sought the Judge's recusal last year. It would be well for Ackermann to bear in mind, said Judge Hartzenberg, that during the 1992 investigation into Basson's involvement with Merton House, the names of various companies had come to light, including Blowing Rock Consolidated Investments, yet the South African Defence Force had not had a problem. Indeed, he said, the only ones who did have a problem about the various companies, were Ackermann and Office for Serious Economic Offences.

But, said Ackermann, did the SADF ever know that Basson and his Libyan "principals" were involved in those companies? According to the State, said Hartzenberg, project funds had been stolen and the SADF must have consisted of "absolute morons" not to notice or realise this. Clearly, said Ackermann, both the Office for Serious Economic Offences and the prosecution were wasting their time, the judge had indicated on various occasions, both in court and in chambers, that if Basson did not have such a high profile, the court would take an entirely different approach to the case. It was obvious that acquittal was inevitable, based on the judge's comments.

Returning to the issue of the CAMS, Basson said he first met Aubin Heyndrickx in 1984, at a congress. He met Dieter Dreier independently after this, and also Jan Marsk, for whom, he said, Heyndrickx worked clandestinely. Although he had set out to make the acquaintance of Heyndrickx, he subsequently realised that Marsk was actually the man most likely to help him acquire CAMS, and that Dreier actually controlled Marsk. He said it was pure coincidence that he met Dreier through the CBW Mafia.

Basson said no CAMs were ordered through Heyndrickx in June 1987, and cannot explain a Graseby Ionics invoice, dated July 7, 1987, for 13 pieces of scientific apparatus, costing £48 100 – the exact price of CAMs at the time. Perhaps the equipment was air pollution monitors, said Basson, despite the fact that Graseby's export licence specifies CAMs.

**Wednesday 19 September**



Before Anton Ackermann could start the day's cross-examination, Basson informed the court that he had studied the record of Dr Brian Davey's testimony overnight, and that Davey had confirmed Basson's claim that Adamsite was used in a chemical attack against Unita troops in Angola. Davey had admittedly not been able to make this finding based on his in situ field tests, but was aware, through laboratory tests conducted afterwards, that Adamsite had been used. Basson also referred the court to the index of documents found in the four blue steel trunks, which lists communication he had with German scientists on the Adamsite incident.

Basson continued to claim that the Iraqi chemical attack he witnessed was on the village of Valapjar, Basson has now changed his earlier version of the date of the incident saying it took place in mid-March, 1988 which coincides precisely with the highly publicised attack on Halabja. Basson said the shrapnel he obtained for analysis came not from Valapjar, but from another, unnamed, village about 200km to the south/south east. The photographs which he later gave Knobel, were taken at Valapjar. It was while collecting the shrapnel.

He said that the R220 000 (£48 100) paid to Aubin Heyndrickx on January 27, 1988, was paid in advance, the date of the trip was not, of course, yet known, but the payment covered travel, shrapnel and setting up intelligence contacts.

Ackermann put it to Basson that this was yet another of his flights of fancy, that the trip as described never took place, and that the funds concerned were actually used to pay Heyndrickx for the 13 Chemical Agent Monitors which he obtained for Project Coast. The funds Basson claimed were used to pay Roger Buffham for another 12 CAMs, says Ackermann, were actually used for personal gain.

Basson was questioned about the NBC suit deal in which he claimed to have requested donations of NBC suits for UNITA. Ackermann put it to Basson that his version, that he had received donations of NBC suits from Libyan, Abdul Razak, was extremely unlikely.

## **Trial Report: Fifty-Six**

**This report covers the period Monday 24 - Friday 28 September 2001**

Monday 24 September was a public holiday in South Africa so proceedings resumed on Tuesday 25 September.

### **Tuesday 25 September**

Prosecutor, Anton Ackermann began by putting it to Basson that the only control exercised over foreign payments made on behalf of Project Coast by Military Intelligence, was verification that they fell within the project budget and that the necessary Reserve Bank authorisation had been obtained. No physical verification of the receipt of goods was ever carried out and auditor Petro Theron relied heavily on the documentation provided by Military Intelligence for audit purposes. Basson strongly denied that this was the case, and claimed that due diligence was exercised at all times.

Basson confirmed that several front companies were used to make payments. Ackermann put it to Basson that the chemical warfare facility, Delta G Scientific, bought whatever sensitive equipment it needed from foreign suppliers. Basson said that the only sensitive equipment Delta G ever bought, was certain reactors, and the chemicals which were acquired through the procurement front company, Organochem, for CR production.

Basson said that the Surgeon-general, Niel Knobel, and other members of the Co-ordinating Management Committee, were not apprised of the detail of every single payment made from the Coast budget. He said that the project's needs were identified at the start of each financial



year, and authorisation for expenditure was granted on an ad hoc basis. Basson said that full meetings of the Co-ordinating Management Committee took place four or five times a year, while informal meetings, of three or four members, were held at least once a month, sometimes as many as three times, and it was at these smaller meetings that acquisitions were discussed.

Basson said that Gen Knobel was not informed about every trip he undertook. He explained that Project Coast had an annual travel budget of R600 000, and Basson would supply details of his travels after the fact, and only if he had encountered problems. He said that the purchase of laboratory equipment would be known to Gen Knobel, at least in the form of an initial proposal, but if Basson spent R5 000 while abroad on acquiring information, for example, he would only report this at the end of the financial year, not as it happened. He said he had the authority to spend up to R15 000, and payments made in the case of operational emergencies could exceed this amount.

Basson answered questions relating to the specific acquisition of equipment which he claimed was intended for the laboratory at the Special Forces Headquarters. The State is disputing that some of the equipment Basson claims was purchased from Roger Buffham was indeed bought.

Basson said he had "no memory" of any documents having been in his possession which related to the true nature of his dealings with Bernard Zimmer, David Chu, David Webster or Roger Buffham on behalf of the Principals. He said that these people would have kept records which they have obviously destroyed, leaving only the false documents and those specially created as cover stories, for investigators to find. He said it was not his job to keep a central record of his dealings with, or on behalf of the Principals, and that if he had any documents pertaining to their relationship, he might have shredded them.

Ackermann stated that no documents mentioning Abdul Razak, Dieter Dreier or Simon Puerra, or any that would support Basson's version of his relationship with these people, was found in the blue steel trunks found at the time of his arrest in 1997. Basson said that he had no mandate from the Chief of the South African Defence Force to inform the Chief of Staff Intelligence about the covert operations.

Asked to comment on certain claims made in a document authored by the Director of Military Counter Intelligence about Project Jota, Basson said that Project Jota was not, as has generally been assumed, simply a new name allocated to Project Coast. He claimed that from 1992, Jota was the name of the defensive component of the CBW project, while Coast continued to be the name of the offensive arm. He said that Col Ben Steyn was fully informed about Jota, but was told nothing about Coast when he took over as Project Officer from Basson.

Basson said that Jota's task was limited to the manufacture of NBC suits and other protective/defensive equipment manufactured in South Africa. He said that Steyn had "no idea" what Coast entailed, particularly in regard to the offensive weaponisation of chemical substances which was why Steyn was not involved in the destruction of the drugs in January 1993.

Ackermann pointed out that this was the first time, during the trial or in any other forum, that a clear distinction has been drawn between projects Coast and Jota.

Ackermann said that the documents retrieved from David Webster had not made any mention of Dieter Dreier or any of the Principals. Ackermann confirmed that Dreier was the same person Chu had testified to knowing, a car rental agent in Basel. Basson said he knew Dreier as an intelligence agent and financial wheeler-dealer.

Basson said that at some time in 1991, he sent R60 000 in cash to the Libyan ambassador in Windhoek. He said the funds were required urgently by the Principals, and he gave the



money to a member of the South African Police Task Force who was on an South African Airways flight as an undercover anti-hijacking guard, with instructions to hand it to the ambassador. Every SAA flight at the time carried an anti-hijacking guard, Basson claimed.

### **Wednesday 26 September**

After nine weeks on the witness stand, eight of them under cross-examination, Basson stepped down, and the defence has closed its case, without calling any witnesses to support Basson's version of events. Anton Ackermann used the final hours to tie up loose ends and place on record a number of matters arising from documents in possession of the State. These documents related to the proposed purchase of an American football team, a business proposal to publish a children's bible in the US and other matters. Basson testified that many of these business ideas never came to fruition.

Ackermann put it to Basson that it was highly unlikely, given Russia's support of the Serbs in the Balkan war, that anyone from the Academy of Sciences would have referred him to Croatians as potential suppliers of methaqualone. Basson simply replied that, they did.

The re-examination of Basson by defence advocate Jaap Cilliers was brief and related to issues raised by Ackermann on Tuesday and Wednesday. It was placed on the record that even after Basson was dismissed from the Defence Force in 1992 he was paid in cash by the Defence Force. Cilliers informed the court that the defence closed its case. The Judge had no further questions for the witness.

Court will reconvene on Monday, October 8, when the programme for legal argument will be determined. Judge Hartzenberg initially indicated that the advocates could see him in chambers for this purpose, but Ackermann insisted that court convene, as he might bring an application for the recall of certain witnesses, or leave to call new witnesses, one of whom may be General Peter Regli. The judge observed that although he had hoped the trial would be concluded by the end of the year 2001, it was now clear that this would not be the case. The year-end recess starts on Friday December 7 and, Judge Hartzenberg said, he had no intention of sitting during the recess. The final phase of the trial will thus only take place in the first few months of the year 2002.

## **Trial Report: Fifty-Seven**

**This report covers the period Monday 8 October and Tuesday 9 October, 2001**

Judge Willie Hartzenberg turned down an application by the State for the court to subpoena three foreign witnesses to testify before legal argument begins.

Senior prosecutor Anton Ackermann brought a surprise application on Monday for the court to call former Swiss Military Intelligence chief General Peter Regli and two of Basson's alleged "financial principals", Dieter Dreier and Yusuf Murgham.

It had not been possible for the State itself to call these witnesses, Ackermann said, as until Basson himself took the stand. There had been no more than oblique references to the roles allegedly played by Murgham and Dreier, and the State had thus not been able to locate them down. Furthermore, the State had been under the impression that Murgham, at least, would be called as a defence witness, given references by advocate Jaap Cilliers to the fact that he had consulted with the alleged senior Libyan intelligence agent before and since the start of the trial in October 1999.

Regarding Peter Regli's, Ackermann said that despite Regli, having apparently been willing to travel to South Africa and testify all along, this information was withheld from the prosecution by the Swiss authorities who were conducting their own investigation into Regli's alleged dealings with Basson and South Africa's chemical and biological warfare programme.



Ackermann said that in recent weeks Regli had contacted him and indicated that he was available as a State witness. He had sent Ackermann a fax on Tuesday, October 2, confirming this.

The State had not known where to look for Dreier, but he had now been tracked down by two Swiss journalists, and had indicated in an interview, of which Ackermann has a transcript, that he was willing to testify against Basson.

Ackermann said despite the value of the testimony these three witnesses could provide, it was not essential that they be called in order to prove the State case against Basson beyond reasonable doubt. The large volume of documents filed with the court had already served this purpose. But, he said if the court had the slightest doubt about the evidence presented, it had a clear responsibility to call the witnesses in order to obtain clarity on the issues.

Defence advocate Jaap Cilliers vigorously opposed the application, claiming that if these witnesses were called, Basson's right to a speedy trial would be severely violated. The trial was already in its 25th month, and if the court called the three witnesses, both the State and the defence would be obliged to reopen their cases and possibly call further witnesses on matters arising from the testimony of Regli, Dreier and Murgham. This could drag the trial out by another six months, said Cilliers, and he could not see how the three potential witnesses could take the case any further, since, given the role they had played, none of them would tell the truth or admit to any of the dealings ascribed to them by the accused.

The judge himself appeared reluctant to entertain Ackermann's application, questioning the "interference" of one witness, Sol Pienaar, who the Judge said was patently anti-Basson, in locating Murgham and assisting the State in securing his agreement to testify.

As for Regli, Hartzenberg said he was fully aware that the investigation into his activities had been reopened by Swiss authorities, and he was clearly only keen to testify against Basson in order to clear his own name. General Niel Knobel had, after all, testified that when he spoke with Regli, the accused's version of events (in regard to the Croatian deal) had been confirmed.

On Tuesday morning, the judge formally dismissed the State application. He did not consider the three suggested witnesses to be essential, and expressed doubt that they would admit to having participated in sanctions-busting or sharing classified information with South Africa. Their evidence, he said, would carry little weight, and by calling them, the trial would be delayed even further.

The Judge said it was clear that Basson had been ordered by his superiors in the South African Defence Force to engage in sanctions-busting while head of Project Coast, and that he had a mandate to build up an international network of collaborators. Businessman Charles van Remoortere had testified unequivocally that sanctions-busting was involved.

Swiss pharmacologist David Chu, Belgian businessman Bernard Zimmer and American attorney David Webster, as well as his wife, Jane, had all denied knowing that they were involved in circumventing sanctions, or assisting the SADF, but since all of them could face prosecution in their home countries if they did anything but deny such activities, "it would be naïve in the extreme to accept their evidence on this point as credible", said Hartzenberg. He said there was no reason to assume that any of the three witnesses proposed by the State at this late stage of proceedings would testify any differently. They would not divulge their roles in sanctions-busting or assistance to the South African chemical and biological warfare programme, and their testimony would thus not help to clarify anything.

Final argument on the drug charges will be presented by Dr Torie Pretorius from Monday, November 5. Further discussion on the probable timetable took place in the judge's chambers, and it is not yet clear if the defence will respond to the arguments piecemeal, as



happened during the arguments for acquittal earlier this year, or wait until all the State arguments are in before replying.

## **Trial Report: Fifty-Eight**

**This report covers the period Monday 5 November - Thursday 8 November 2001**

Final argument in The State vs Wouter Basson began in the Pretoria High Court on Monday 5 November 2001. Dr Torie Pretorius began by outlining the State's case on Charges 25 to 27 which pertain to the accused's alleged involvement in drug dealing.

It had to be borne in mind, said Pretorius, that Basson is an exceptionally intelligent and highly qualified individual. In addition to his impressive array of academic qualifications, he was responsible for drawing up the psychological profiles used by the South African Defence Force to select Special Forces recruits, and was acquainted with all the Special Forces operators during his time in the military. He is also a qualified explosives expert.

Basson's military career included his involvement in highly sensitive and classified operations, numerous intelligence operations and the CBW project. He successfully completed a number of military courses, some of which are the equivalent of an MBA, and can lay claim to expert knowledge of project management. He has travelled extensively, is articulate and has more than a working knowledge of several foreign languages.

During the course of his career he rubbed shoulders with leaders across the entire political spectrum (PW Botha, President Nelson Mandela, prominent Libyans, members of the Coordinating Management Committee, Madame Danielle Mitterand, Russians, East Germans etc) while simultaneously dealing with arms smugglers and drug lords.

In short, said Pretorius, Basson was a rare and particularly intelligent witness, an expert in several fields and as such, capable of offering plausible responses to any questions. Not only does he have an answer for everything, he has the ability to embroider on his responses with elaborate anecdotes. He also said that it should also be borne in mind that the keynote of South Africa's CBW programme, in which he played the leading role, was deceit. Front companies and cover stories were the order of the day, plausible deniability the watchword. Basson's testimony was riddled with such terms as "generate like crazy", "financial engineer", "maneuvers" to create illusions, "pseudo-deals", "false documents", "manipulate the situation", "orchestrate events", "facades". Directors of front companies "didn't have a clue" and fell for cover stories "hook, line and sinker".

Pretorius argued that Basson's prolonged involvement in ultra-sensitive operations were a key factor in this case. No effort was spared to ensure secrecy, all available information was gathered in order to plan operations, and cover stories were devised in advance to protect his activities. This military strategy became second nature to Basson, who was well schooled in dealing with interrogation. His testimony in this regard was: "The most valuable lesson they taught us in Special Forces was, if it is clear to you that your interrogator does not know what he is talking about, you can spin him any story you like. He can inject you, hit you, strangle you, but if the interrogator does not convince you within the first two minutes that he is already in possession of facts, all you have to do is play along, that's the way Special Forces work. The basic lesson operators were taught is that they do not have to remain silent forever under interrogation. If captured, they have to refuse to give any information for the first 24 hours, to allow their comrades a chance to get away from the area. After that, they can tell their captors anything they like."

In the world of "smoke and mirrors" in which he moved, especially in the latter phase of Project Coast, Basson himself acted as both information and disinformation officer. His world was that of the spy and it would be entirely accurate to describe him as a master of deception. Cover stories were carefully crafted to include just enough of the truth to withstand scrutiny. Just as Basson described David Webster as someone who knew how to legitimise a



front organisation so that it appeared perfectly normal, Basson himself has the ability to present a defence so convincingly that it appears true. His description of the myriad incriminating documents presented to court as "dynamic cover stories that could be adapted to suit the circumstances" applies equally well to his own defence.

Pretorius contended that Basson's version of events had to be evaluated with the greatest possible circumspection in order to conclude to what extent it consists of imaginative legal stratagems specifically designed to mislead the court.

There was undisputed evidence before the court that incapacitants, including narcotics, had played a central role in the research and doctrine of CBW for the last 20 or 30 years. As project officer of the chemical and biological warfare programme, Basson was at all times in control of the research and the actual substances produced at Delta G Scientific. Even after the privatisation of the front companies he exercised control over the manufacturing process by means of regular research reports, as well as over the final products, which had to be delivered to him personally.

Not even Delta G's own scientists, like Dr Johan Koekemoer, had any idea what was done with the MDMA he delivered to Basson. Neither Delta G employees nor any outsider, such as Grant Wentzel, would have had any way of knowing if the MDMA was mixed, for example, with Cocaine, or if it was shipped directly to Swartklip Products or Armscor for weaponisation after delivery. Basson alone knew those details. In addition, he personally signed for receipt of 500 000 Methaqualone tablets and nine tons of cannabis provided by General Lothar Neethling of the SA Police Forensic Science Laboratory. The 1 200kg of Methaqualone allegedly manufactured during Project Mosrefcat were also delivered to Basson, who played a leading role in identifying, liaising and negotiating with suppliers of all these substances or precursors.

Basson was personally involved in the purchase of 80kg of Cocaine in mid-1992 at a cost of \$250 000 from South America, assuming the role of international drug lord for purposes of the deal. He was also personally involved in the initial acquisition of Sassafras Oil, precursor for MDMA, via the British and/or Chinese "mafia".

Basson was the only person who had a key to the Defence Supply Depot in Dequar Road, Pretoria, where he testified the bulk incapacitants were stored. The depot was inside a military complex and neither Dr Philip Mijburgh nor Dr Wynand Swanepoel, for example, would have had access to it. Basson also testified that it was he who kept the registers of distribution, and that he was personally responsible, when the project was shut down, for the destruction of all equipment, records and the pyrotechnic laboratory at Speskop.

Basson's was the only testimony that pyrotechnical tests were carried out on the incapacitants. Hekkies van Heerden, who Basson had named as a participant in the process is dead and no other witnesses were presented to corroborate Basson's version.

The defence had put it to Delta G Scientist, Dr Johan Koekemoer that it made perfect sense, for purposes of physiological evaluation, that certain incapacitants would have been encapsulated. Invoices for a State contract to encapsulate a substance had been personally delivered to Basson and he alone arranged payment. When pharmacist Steven Beukes vacated his office at Delta G, Koekemoer found 49 red and yellow capsules in a cupboard, and these were subsequently found to have contained Ecstasy.

Basson, however, had tried to convince the court that he had no idea what Beukes was encapsulating, but that it was possibly antibiotics for resistance movements. At the same time, he had admitted that he was in charge of the operation which saw "tons" of medication despatched to UNITA and RENAMO from at least 1981 to 1990. Clearly, said Pretorius, the encapsulation of any substance in 1992 could not have formed part of the medical supplies for resistance movements.



The only reasonable conclusion was that whatever Beukes was encapsulating at that time, it was not an innocent antibiotic or analgesic, but Ecstasy, and the court should thus reject Basson's denial that he was fully aware of this.

There were serious discrepancies in the testimony of Basson and Mr H regarding the destruction of incapacitants, particularly in respect of the taking of samples and timing of delivery to Military Intelligence which according to Mr H took place a full 33 days after the destruction flight. There was no corroboration for Basson's account of what quantities of incapacitants had been used for pyrotechnical tests.

Pretorius said that it was agreed by the State and Defence legal teams that Basson and Grant Wentzel had contact with one another from time to time, and spoke to one another telephonically. Basson claimed he acted as adviser to Wentzel in regard to arms deals and financial matters. On one or two occasions, Wentzel delivered boxes of wine to Basson, and a good relationship existed between them. The accused's account of how the black plastic refuse bag came to be in his possession prior to his arrest on January 29, 1997, had to be rejected as totally improbable. It was ludicrous to suggest that Wentzel, still in a state of shock following his own arrest just days before, would have been capable of devising a complex and highly risky set-up to frame Basson, as claimed by the defence.

Pretorius said that there was no reason for Wentzel to falsely implicate Basson in the drug deals, and the suggestion that he did so, made no sense. The entire scenario sketched by the defence could have been scuppered by the simple act of Basson looking inside the mysterious black bag when he found it. All he would have needed to do, if innocent, was contact his good friend General Neethling, or any of his other high-placed government contacts, and Wentzel's would have been arrested. No one could believe that Wentzel had foreseen that Basson, as he claims, would not open the bag and discover the Ecstasy.

Suggestions that Wentzel himself was behind the encapsulation of the Ecstasy hold no water, given the strict controls exercised by Basson himself over the product delivered by Koekemoer.

Basson's claim that he arrived at the Magnolia Dell rendezvous (where the alleged drug deal took place) 30 minutes early because he urgently needed to use the toilet, borders on the farcical, said Pretorius. Basson's home is directly opposite the parking area, and any reasonable person would have used his own toilet in preference to a public facility. Pretorius said the story had been made up to explain reference on the taped conversation between Basson and Wentzel during the sting operation to Basson having arrived early "to check out and make sure everything is OK".

Pretorius's argument was interrupted frequently by Judge Willie Hartzenberg. Hartzenberg said that Basson was not the only person involved in Project Coast with access to Ecstasy, others including Dr Hennie Jordaan, Gert Lourens and Jerry Brandt could all have arranged for a quantity to be purloined at some stage during the production process. After all, said the Judge, a ton of MDMA was manufactured someone and someone else could have stolen some of it and had it encapsulated.

Judge Hartzenberg said the accused had testified that he had no idea what Beukes was encapsulating at Delta G, but that it was probably antibiotics for "an epidemic in Swaziland or somewhere" and asked what proof the State had offered that Beukes was encapsulating Ecstasy? Or that Wentzel had not obtained a number of capsule shells himself for this purpose? For that matter, why could any one of the Delta G scientists not have purloined a quantity of MDMA "from the plant next door" and gone into Beukes's office after hours and encapsulated the substance himself?

As to why Wentzel would falsely implicate Basson, the Judge said this might quite simply have been because at the time of his arrest, Wentzel was fully aware that Basson had been



head of a classified government project, and might have hoped that by naming him as the supplier of Ecstasy, the entire affair would be covered up and swept under the carpet.

Clearly, said the Judge, what the State expected was that the court should find that the accused is so intelligent, so accomplished at misleading "everyone", that no matter how credible his version of events, it was a lie. The State should bear in mind, said the Judge, that in the world of smoke and mirrors, nothing was as it seemed, and in order for the court to reject out of hand the bizarre versions furnished, there had to be seriously irrefutable evidence to the contrary.

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Responding to the State argument on the drug charges, advocate Tokkie van Zyl reprised his argument for acquittal earlier this year, expanding on it only to the extent that Basson's own testimony and pointed questions from Judge Willie Hartzenberg demanded.

Van Zyl said that Wentzel was a "cunning liar" and self-confessed drug dealer, who would go to any lengths to save his own skin. Wentzel was in "serious" trouble following his arrest in a police sting and on being offered the chance to cooperate with police by furnishing them with the name of his supplier, had seized on Basson, whom he knew had been involved in classified military projects. Wentzel had obviously also been aware, through his conversations with Jerry Brandt, that a large quantity of Ecstasy had been manufactured at Delta G Scientific and had regarded Basson as "the man who would get him out of a fix".

Believing that he would escape prosecution if he identified and helped police to detain his "supplier", Wentzel grabbed the opportunity to implicate Basson. But, Van Zyl argued, Basson knew nothing at all about Wentzel's drug deals and was totally unaware, on the morning of January 29, 1997, that his meeting with Wentzel at Magnolia Dell was in connection with Ecstasy.

As he had testified, Basson was under the impression that the meeting concerned an arms deal, and the R60 000 given to him by Wentzel was part payment of an earlier business loan. Basson had not inspected the contents of the black refuse bag he found in a box of wine given to him by Wentzel a few days before but, said Van Zyl, even if he had done so, he "would not have known that it contained drugs". Basson was aware that as a commodities broker, Wentzel dealt in "almost anything, including homeopathic remedies" and had he in fact seen the capsules in the bag, might well have thought they contained an innocuous herbal preparation.

The conversation between the two men and taped by the police was admittedly disjointed, but the court should bear in mind that not once was any mention made of drugs, Ecstasy or capsules. The reason no such references were made by Wentzel, said Van Zyl, was that Basson would immediately have asked him what on earth he was talking about.

Further proof of Basson's innocence was his reaction when confronted by detectives, namely relief – an extremely strange response from an alleged drug dealer – and his insistence that the plastic sachets containing the capsules, be tested for fingerprints. The fact that this had not been done by police, could not be held against the accused.

Furthermore, police had not searched Wentzel's home following his arrest, but they had conducted a search of Basson's home, which turned up no incriminating evidence. All the evidence pointed to Basson having been framed by Wentzel, said Van Zyl, and the court should accept the version of events offered by the accused and acquit him on the remaining three drug-related charges.

Court has adjourned until Monday, November 19, when Dr Torie Pretorius will launch the State argument on the human rights charges.



## **Trial Report: Fifty-Nine - second report on the closing arguments**

**This report covers the period Monday November 26 - Friday November 30, 2001**

Within minutes of senior prosecutor Anton Ackermann launching his final argument on the fraud charges, it became clear that this crucial phase of the trial would turn into a battleground between Judge Willie Hartzenberg and the State.

Tension between the judge and the prosecution, which has been simmering since February 4, 2000, when a sharp exchange gave rise to the unsuccessful application for the judge to recuse himself on the grounds of bias and prejudging the case in favour of the accused, boiled over by Wednesday, and on Thursday morning, Ackermann informed the court that he would leave presentation of the remainder of his argument to junior State counsel Werner Bouwer.

The State's final argument on the fraud consists of two volumes, the first runs to some 387 pages. The argument is intended to prove beyond reasonable doubt, based on the evidence of witnesses and thousands of supporting documents, that there is no substance to Basson's claims that he established and managed the WPW Group and all its subsidiaries on behalf of Russian, Libyan and East German financial principals, and that these companies were then "hijacked" by the SA Defence Force to serve the interests of Project Coast.

The State case against Basson is based on the findings of a seven-year investigation by the Office for Serious Economic Offences and an international forensic audit, which shows that the WPW Group was set up by Basson for personal gain, and used to defraud the SADF/Project Coast for his own benefit.

The second volume of the State argument, not yet filed with the court, deals with the specific fraud charges. By the end of the week, it was not clear whether this argument will be presented before the court goes into recess for the summer on Friday, December 7, or will be held over until next year. What is now certain is that the scheduled legal argument by Dr Torie Pretorius on the human rights charges, which would have started on Tuesday, December 4, will not be heard this year.

Ackermann told the court that in deciding whether or not Basson was guilty, there was really only one question to be answered: Did the foreign financial principals exist, or were they a figment of the accused's imagination? The answer to this question would determine whether or not Basson's defence was reasonably, probably true, or whether the State was correct in averring that all activities of the WPW Group were conducted for personal gain, and that the existence of The Principals was a fabrication.

The judge was at something of a disadvantage, Ackermann said, having presided over the case for more than two years without the assistance of assessors, who could have acted as a sounding-board.

It was at this point that Hartzenberg launched the first of what would be innumerable attacks on the State case, setting a pattern that would preclude Ackermann from progressing beyond page 22 of his written heads of argument on the first day. Progress for the rest of the week continued at a similar pace, with the majority of time in court being taken up by increasingly acrimonious exchanges between the judge and the prosecutor.

Hartzenberg said that during the 17 years he has served on the bench, he has "always" tried to focus only on the litigants in any case. The Basson case, however, was somewhat different, not only because it encompasses "many side-issues" but because he is still not sure who the complainant is, particularly in regard to the fraud charges. The SADF's 1992 investigation into alleged irregularities (specifically regarding Basson's role in the R10-m



development of Merton House) had cleared the accused. At the time, the Co-ordinating Management Committee of Project Coast had been in place and the name of the Wisdom Group of companies had become known to them during the course of the probe.

But despite a thorough investigation, said Hartzenberg, not a single SADF member had shown any concern over the possibility that any military funds had been misappropriated. In fact, it seemed to him that both the subsequent OSEO investigation and the State prosecution of Basson had been an enormous embarrassment for the SADF, which had "known exactly what Basson was doing at all times, and had no problem with his activities". Despite this, the State apparently expected the court to find otherwise.

Indeed, said Ackermann, because the facts presented showed beyond doubt that the SADF, including General Niel Knobel, had been deliberately misled by Basson, and had "never realised that he was stealing the SADF blind". If the judge accepted that East Germans, Libyans and Russians were "given free rein" to operate within South Africa, and that the SADF top management were aware of this, there was no point at all in the State even presenting final argument. A massive body of evidence had been presented to show that there never were any financial principals and the defence had not called a single witness to corroborate Basson's claim that there were, despite applying an intimidatory tactic during cross-examination of almost every witness by offering veiled threats that a phalanx of witnesses would be called to support Basson's alibi and defence.

On the basis of the State case, the judge argued, after setting up the WPW Group at the end of 1986, the accused had spent the next five years "doing absolutely nothing for the benefit of Project Coast", spending the time squandering SADF funds on his personal interests, without anyone in the SADF ever noticing.

Not entirely, said Ackermann - South Africa did have the new generation teargas, CR, to show for Basson's efforts - but that was about the sum total of achievements throughout the lifespan of Project Coast.

It was patently obvious, Ackermann said, that "we are precisely back where we were on February 4 last year, and that despite the fact that the State has spent two years proving to the court that there were no financial principals, you have not moved one iota from your position stated at the time, namely that it would take very little to convince you that the WPW Group was not set up to serve the interests of Project Coast". This despite the fact that at not a single meeting of the CMC was any mention ever made of Libyans, East Germans and Russians being involved, and despite the uncanny coincidence that at all times, the needs and interests of the SADF/Project Coast just happened to dovetail neatly with those of The Principals.

In the grey world of chemical and biological warfare, observed the judge, "everyone knows what everyone else is doing". The accused had been specifically ordered to infiltrate the international CBW milieu, and he had succeeded in doing so and in the process, made contact with a host of people who had been of assistance to him, such as Wilfred Mole, Blucher and Roger Buffham.

No, said Ackermann. The accused had been faced at a certain point with a major dilemma. When confronted with documentary proof of the WPW Group's structuring, he had to find an explanation, and proceeded to invent The Principals and the highly improbable tale of the SADF "hijacking" their interests to own advantage. The effect of the tale spun by the accused was that the SADF paid for CBW research wanted by The Principals.

And, said the judge, by all accounts, the SADF was entirely satisfied that it "got what it paid for". But what, asked Ackermann, had the benefit of this arrangement been to The Principals?

They had been furnished with the same research findings as Project Coast, said the judge.



In other words, said Ackermann, in Angola the SADF was at war against such forces as the Russians, but the results of CBW research conducted in South Africa was being given to them, the enemy? Yes, said the judge - but in "edited" form.

So, said Ackermann, the SADF's managers, including General Kat Liebenberg, were handing over to South Africa's declared enemies at the time, information on CBW that could be used against their own troops. If that was what the judge believed, said Ackermann, "every general serving in the SADF at that time will have to be charged with high treason for knowingly supplying the Russians with South Africa's CBW research findings".

But Mr Ackermann, said the judge, "the information came from the Russians - clandestinely, to be sure, and at a cost of millions".

The State had proved beyond reasonable doubt, said Ackermann, that there were no foreign principals involved. But, said the judge, by the "early 90s it was quite obvious to anyone that huge political change in South Africa was imminent".

Ackermann said he was not concerned with the political dispensation in the 1990s. He was talking about 1986, 1987, 1988, when the WPW Group was set up. During those years, South Africa was the target of a campaign of terrorism, in which Libya was deeply involved. (Former SA Foreign Minister) Pik Botha had not been called to testify in the case, but Ackermann would lay his head on a block that had he been, he would have said unequivocally that at that time, there was no contact or liaison of any kind between "any Libyan and anyone in the South African government or the SADF".

Certainly there would have been no overt links, said the judge, but the Libyans did have an interest in what was going on in South Africa.

Yes, said Ackermann, their interest was in supplying the bombs used against civilians in Wimpy Bars and the landmines planted on farm roads. Basson had purchased the King Air in 1988, and on his version, the aircraft was then used by Razak and his colleagues to travel all over South Africa, while under surveillance by Military Intelligence. If Libyans were traversing South Africa at that time, they could have had only one purpose: Identification of possible targets for terror attacks.

The sole reason the WPW and Wisdom groups had been established, Ackermann argued, was to provide Basson with a vehicle to channel SADF funds for personal gain.

But the State had not proved that a single cent of SADF money went into the accused's pockets, said the judge, only that funds were paid to companies in the WPW/Wisdom groups. And what about the millions in cash which the accused received, asked Ackermann.

He had explained what happened to that money, said the judge, it was given to The Principals. Furthermore, the court knew that Bernard Zimmer had paid cash amounts to Trevor Floyd and "other people, and the Civil Cooperation Bureau". So if the accused said the cash was used in the interests of Project Coast, what proof was there that this was not true? Had Ackermann ever considered that "the principals" could have been the SADF itself? Had this possibility ever even occurred to him?

That, said Ackermann, was not the defence offered by the accused, and such a scenario had not been put to a single witness under cross-examination. The only "principals" offered by Basson were the Libyans, Russians and East Germans.

Ackermann said that Basson had been unable to explain to the court how, for example, a company such as Phoenix, a filling station which made its money from the sale of petrol and which served Project Coast and 7 Medical Battalion by modifying their vehicles, could ever have been of any benefit to The Principals. But the State had not proved that a single cent of the money made by Phoenix had found its way into Basson's pockets, said the judge.



Your Honour, said Ackermann, it was patently obvious that had a fruit and vegetable shop formed part of the WPW or Wisdom group, the accused would have come up with a convincing explanation for its existence - or at least an explanation "that would have convinced you".

Ackermann argued that Basson's explanations and defence had "shifted dramatically" from when he was first questioned about his involvement in the WPW/Wisdom groups, to the point where he was confronted, in court, with irrefutable documentary proof. This was why the mythical Libyan, Russian and East German principals had never before been as much as mentioned, the first time Basson claimed the international business empire was set up and run on their behalf, was during this trial. Despite numerous opportunities to do so during the OSEO investigation, Basson had never identified these groups as The Principals. The CMC had never known about them either.

But, said the judge, the accused did testify that former surgeon-general Nicol Nieuwoudt was aware of their existence and the mutually beneficial arrangement, and that he (Basson) had thereafter operated on the assumption that Nieuwoudt's successor had been duly informed. Would any SADF member actually admit to having been involved in any of those front companies? Obviously they would have denied any involvement during the OSEO investigation, and Ackermann should remember that there was a CMC document specifying that no information about "sensitive" aspects of the project were to be disclosed, as late as 1995.

The court could not possibly rely on what General Niel Knobel knew or did not know, said Ackermann, by his own testimony, he knew at all times only what Basson told him or wanted him to know.

What possible benefit could the work conducted by QB Laboratories have held for The Principals, Ackermann asked.

A great deal, said the judge. Research on the effect of the climate in sub-Saharan Africa on aerosolized incapacitants would have been of immense value to the Russians, for example. And if The Principals were involved in the manufacture of NBC suits, it would certainly have been useful for them to have access to the research reports emanating from work done at SRD on protective equipment.

Attempting to make his point, Ackermann said Basson had been deliberately evasive about his role in the Wisdom Group, and if he had nothing to hide, one had to ask why. Well, said the judge, every witness called in this case - "from the USA to South Africa" - has underplayed his role - "all" of them - David Webster, Zimmer, Tjaart Viljoen, Chris Marlow, the lot".

At this point, Ackermann told the judge he would sincerely appreciate it if, when formulating a statement or question, Hartszenberg did not first look at the accused for approval/confirmation of the facts. Hartszenberg denied doing so.

Throughout the case, said Ackermann, the defence strategy had been for Basson's advocates to put "wild and unsubstantiated" claims to witnesses during cross-examination, but not only had no witnesses been called to substantiate these claims, in many instances, Basson's own testimony had either contradicted them, or he had offered an entirely different version.

Ackermann said Basson's claim that at late as 1995 he was still furnishing The Principals with research reports was nothing less than a blatant lie. The project had ceased to exist at least two years before and it "boggles the mind" that the judge could even consider, as he had indicated, that contact with The Principals as late as 1995 was part of his instructions to shut down Project Coast. Ackermann said it was equally beyond belief that the judge evidently found nothing untoward in Basson's version of his links with Roger Buffham. Indeed, it was



the State's perception that the court had dubbed Buffham a non-credible witness without him ever being called to testify.

The State perception was entirely correct, said the judge. And while on the subject, he assumed the State would argue that (David) Chu and Zimmer were honest and credible witnesses?

It was extremely strange, said Ackermann, that every one of the foreign witnesses had been savagely attacked for their links to South Africa: Chu was dubbed both a drug smuggler and a money launderer in no uncertain terms, yet not a single step had been taken against any of them by authorities in their own countries. Not against Chu, or Webster, or Zimmer, or, for that matter, Dieter Dreier or Roger Buffham. The name of the MAIS Corporation, the alleged Russian intelligence front in Switzerland, had been in the public domain for months, right down to the street address from which it operated, yet nothing had been done, and not one foreign witness had even been questioned about his alleged role in sanctions-busting.

As the week wore on, the exchanges became more acrimonious. At one point, on Wednesday, Ackermann asked the judge: "Is it really necessary that I continue to argue the remaining 24 fraud-related charges against the accused? My perception is that the court decided 18 months ago already that the accused in this case is innocent of all the charges against him, and that this is a waste of time."

Hartzenberg responded that this was "unfair", as "I could always be convinced otherwise".

Ackermann eventually simply disregarded the questions and comments from the judge, simply continuing to read from his heads of argument after informing the judge that it was quite obvious Hartzenberg was not prepared to entertain the idea that Basson lied under oath.

The judge responded that in three days of listening to Ackermann, all he had learned from the argument was that according to the State, "everything which the accused said that does not support your case was a lie...your entire argument boils down to a claim that the accused is incapable of telling the truth".

That was not entirely so, said Ackermann, and if the judge so desired, he would take the time and trouble to go through Basson's testimony (which covers some 6 000 pages of the court record) and highlight the passages which the State accepts were, in fact, truthful. However, he really did not see the point of continuing to argue the case. Because, said Ackermann, the accused consistently had "at least five answers" for every question put to him, and some of the explanations offered were "risible, bordering on the absurd", while in other instances, he had taken and manipulated evidence given by State witnesses in order to give his own version of events a ring of veracity.

The judge responded that he had listened to the accused testifying for 40 days on a wide range of matters, and not in an argumentative manner. "My impression is that he merely tried to provide the court with the facts," said Hartzenberg.

On Thursday morning, Ackermann declined to present any further argument, turning the task over to his junior. Bouwer fared little better, but after several exchanges, Hartzenberg told him he would no longer engage the junior advocate in debate "because it seems as though you do not want to understand my point".

The process resumes on Monday, December 3 and is expected to continue for most of the week.

## **Trial Report: Sixty - third report on the closing arguments**



**This report covers the first two weeks of court proceedings of 2002: January 28 - February 6.**

Launching his final argument for Basson's guilt on the remaining 18 human rights violation charges, prosecutor Dr Torie Pretorius said there could be no doubt that the accused was part of a conspiracy to murder enemies of the apartheid government, and as such, was instrumental in supplying a range of deadly toxins to undercover agents to carry out the deeds.

He said the State had presented overwhelming evidence from 60 witnesses to prove that Basson had the opportunity, the infrastructure and the ability to supply these poisons, and at least one witness had been categoric in identifying "Doc Wouter's team" as the supply channel.

Because Basson has proved himself to be a master of deception, the court would have to scrutinise his own testimony with extreme caution. There could be no doubt that a conspiracy existed within the SA Defence Force's Special Forces unit to eliminate selected targets, or that poison was one of assassination weapons available to ensure that the murders could not be traced back to the SADF.

Amid the smoke and mirrors of the intelligence community, considerable care is taken to carry out covert operations in such manner that they can be plausibly denied, and so it was within the Civil Cooperation Bureau and its forerunner, Barnacle. If any of the murders to which agents of those units have confessed had been linked to the State at the time, it would have been extremely embarrassing for the government of the day, hence extra-special care was taken to ensure this did not occur.

Numerous "cut-out" points had been built into the delivery channels and all operations were carried out on a strictly enforced need-to-know basis. Because of these safeguards, none of the witnesses called by the State had been able to provide the court with a full or complete picture, but the cumulative effect of all the evidence provided all the proof needed.

There could be no doubt that the lethal injections administered to victims killed by the mastermind of Operation Dual, Johan Theron, had been supplied by Basson, or that Theron was telling the truth when he said Basson taught him how to use the substances.

Strict control over the medication concerned had been exercised by Basson, who was in charge of issuing medical supplies to rebel movements and all covert units within the South African security forces. He alone – or doctors acting on his orders - had been in a position to supply Theron with substances such as Scoline, Tubarine, Ketelaar and Vesperax.

The defence offered by Basson was a vivid example of his ability to manipulate the truth so as to exonerate himself. No matter what question he was asked, he was able to come up with an answer that might well be credible in different circumstances, but the court could not lose sight of Basson's own admission that throughout his association with Project Coast, his life was based on "lies and deceit". He was a glib and highly skilled liar, and had even admitted that he deliberately misled his superior officers from time to time. By his own admission, he was both a skilled wheeler and dealer and an international drug smuggler, who had worked with "people who were not angels" and huge amounts of "funny money".

Over the years, Basson had acquired a collection of persona, and was particularly adept at coming up with plausible stories and explanations to extricate himself from potentially difficult situations.

Pretorius said that nothing in Basson's testimony had indicated that he was doing anything in court that he had not done successfully a hundred times before, namely misleading the court about his role and involvement with the supply of toxins.



Furthermore, Basson's defence team had failed to refute key testimony about the supply of the toxins used. In fact, "very little" of the evidence given by veterinary toxicologist Dr Andre Immelman had even been placed in dispute.

Immelman, a vital witness for the State, was a senior member of the management team at Roodeplaat Research Laboratories, one of the SA Defence Force's chemical and biological warfare front companies, from January 1984 until it was shut down in 1992. It was in that capacity that he supplied covert operators with a variety of poisonous substances on request, acting in accordance with direct instructions from Basson.

Despite the fact that scientists working for Project Coast were in agreement that they did not want to know the details of any secret operations or the identity of any targets for elimination, Immelman had pointed out that they were all highly intelligent, and in time, became suspicious about the use of certain substances produced at RRL.

Immelman used the codename Willem and presented himself as a farmer when he handed over such items as anthrax-laced cigarettes, vials of cholera bacteria, a baboon foetus and the deadly poison Paraoxon to members of the Civil Cooperation Bureau or the Security Police. The court should not lose sight of the fact that several of those meetings took place by arrangement in Basson's own office at the headquarters of the SA Medical Services in Centurion.

Immelman also told the court that he and Basson were the only two people who acted as liaison channels between RRL and the SADF. All research done at RRL was determined by Basson and all reports were delivered to him.

Immelman had confirmed that Basson had access to a variety of toxic substances and pathogens were available from or made by RRL and that a number of them had been supplied to Basson, such as beer laced with Thallium.

When Immelman became suspicious about what such items were being used for, he confronted Basson, and was assured that "all projects" involving toxins were authorised by the State Security Council – a group of whose existence he had never even heard until Basson mentioned it. [Note from the authors: the State Security Council was a high level decision-making structure which fell just below Cabinet. It was chaired by the President.]

When Basson instructed Immelman to start supplying substances to "outsiders" – such as Chris, Gert and Manie, later identified as members of the Security Police – he began keeping a record so that Basson would know exactly what had been given to which non-SADF people. Immelman was adamant that "nothing" left RRL's premises without Basson's approval, and testified that he would never have given toxins to anyone without Basson's authorisation.

The court had heard repeatedly from those involved in the CCB chain of command how these toxins ended up in the hands of covert operators, Pretorius argued – not, as Basson claimed, for further research, but for use as assassination weapons. Most of the substances supplied by Immelman fell into the category of super-toxins and were supplied in lethal doses.

Pretorius said it could not be mere coincidence that the dates on which Immelman was requested to supply toxins and the delivery dates dovetailed in almost every case neatly with the dates of known attacks on such people as the Reverend Frank Chikane, Transport Minister Dullah Omar and other "enemies of the state" targeted by CCB operators whose testimony confirmed their involvement in these murder plots.

Yet Basson's defence team had failed completely to shake Immelman's testimony during cross-examination, and where aspects of it could not be explained away by improvisation, the defence had chosen to simply ignore the evidence, said Pretorius.



As far as self-confessed killers such as Theron and Danie Phaal were concerned, however odious the court might find the grisly tasks they carried out, there could be no question about their truthfulness, even in the measure to which they implicated Basson.

The prosecution had been aware of only a few alleged murders when these witnesses were first approached, and had it not been for the additional information they volunteered, of which the State knew nothing and would probably never have learned otherwise, some of the operations in which they took part could have remained secret forever.

Why, asked Pretorius, would any person lie in order to place himself at the centre of such horrific deeds? It was simply unthinkable that witnesses would implicate themselves in cold-blooded murder, merely to satisfy an old grudge against any accused, let alone against Basson, for whom witness after witness still expressed respect.

The fact that Basson had been acting on the orders of more senior officers, did not excuse his culpability. The law of the land was extremely clear in this respect: All members of the security forces are subject to the same law as any other citizen if they are guilty of committing criminal acts.

The court had no option but to find that the heinous crimes outlined by the likes of Theron had indeed taken place, and that they could not have taken place without the active assistance of the accused, the doyen of poison within military ranks.

Similar facts and the cumulative evidence left no doubt that what was begun by Barnacle, was simply continued by the CCB, and however much the accused improvised his defence, the totality of the evidence against him could only be interpreted by the court as irrefutable proof that he is guilty as charged.

The counter-argument by defence advocate Jaap Cilliers mirrored the argument presented early last year, when he sought Basson's acquittal on all the human rights charges, and which was reported comprehensively at the time.

If anything, however, Cilliers has become even more vicious in the interim, accusing Pretorius this week of having lost his objectivity as an officer of the court to such an extent that his approach "borders on the unethical".

It was totally beyond Cilliers' comprehension that a man of Dr Basson's calibre should have been prosecuted in this manner, while a detestable psychopath like Johan Theron – a man so repugnant that he "probably eats human flesh" – was walking around a free man.

Judge Willie Hartzenberg continued to offer an alternative defence from the bench, sketching scenarios that have not been considered by Basson's advocates. The latest, for example, is a suggestion that Theron could have stolen the poisoned beer which he wanted to place at taxi ranks in the Eastern Cape, without the knowledge of anyone, including the accused.

The final session of argument on the fraud charges starts on Monday, 18 February and will again be presented by junior advocate Werner Bouwer. Senior prosecutor Anton Ackermann will be in attendance, but intends sticking to his decision, made late last year, that he will no longer argue this case before this judge, as he is simply wasting his time.

## **Trial Report: Sixty-One - 4th report on the closing arguments**

**This report covers the period Monday 11 February 2002 - Wednesday 13 March 2002**

The final phase of the State's closing arguments on the fraud charges was scheduled to begin on Monday, February 11. However, on arrival at court, Judge Willie Hartzenberg was informed that Basson had suffered what defence advocate Jaap Cilliers described as a "mild"



stroke the night before. By agreement, proceedings were postponed to Wednesday, February 13, when junior advocate Werner Bower began arguing the State's case on the fraud charges. Senior advocate Anton Ackermann, SC, declined to participate actively in proceedings as a result of several acrimonious exchanges with the judge during the earlier phase, when he placed on record that, in his view, the judge was not interested in listening to any argument the State could present.

The written heads of argument on the fraud cover some 1 000 pages. Bower argued that Basson had seized every opportunity, during the trial, to romanticise and fantasise about his exploits as a "super-spy" who had acted at all times for God and Country. Bower said Basson elaborated on mundane business transactions in order to elevate them to the status of James Bond-like dramas. Bower said Basson had consistently displayed the ability to blend fantastic fabrications with objective facts, offering the court "risible" explanations in many cases.

Bower used the example of Basson's explanation of the poisoned chocolates to illustrate his argument. Basson had attempted to turn the apparent poisoning of his associate, Sam Bosch, into an account of his own importance and to illustrate under what life-threatening conditions he had to operate while head of Project Coast. However, close analysis of his version showed it to be laughable. Bower said that through the "sheer coincidence" which marked so much of the case, Basson claimed to have delivered a lecture to Special Forces operators before the incident, warning them against the dangers of eating the courtesy chocolates placed on pillows in hotel rooms, as these were a favourite target of foreign assassins. Basson claimed this is what had happened on one of his European trips with Bosch, and resulted in Bosch having a "psychotic" episode. Basson said the poisoned chocolates were almost certainly actually meant for him.

Despite her own denials in this regard, Basson had also tried to persuade the court that administrative assistant Patricia Leeson had been grilled by British secret agents, setting off a chain reaction of events culminating in a nervous breakdown. The fact that Basson felt compelled to embellish such an inconsequential event as Lesson having been questioned by Customs officers in connection with her British work permit, served only to illustrate the total lack of "real-life James Bond escapades" in his life, Bower argued.

Bower said Basson's repeated claim that he had successfully duped all the major international intelligence agencies for a period of 12 years, thus protecting Project Coast from scrutiny was inaccurate and that if Basson had failed to attract the attention of foreign intelligence agents, it was simply because his activities were of a personal business nature, and had nothing to do with espionage.

With regard to Basson's claims of ferrying huge amounts of cash from Libya to South Africa on behalf of the African National Congress, Bower said it was nothing short of astonishing that the present South African government had not afforded Basson the highest public recognition possible as a reward for his "heroic exploits" on their behalf.

Bower urged the court to exercise utmost caution in weighing Basson's claims of contact with Libyan officials, since there was no evidence to indicate any such links prior to 1993 or 1994, in other words, until after he had been fired from the SADF and replaced as head of Project Coast, or that any contact he had with Libya was related to anything except his personal business interests.

In the State's opinion, the version of his Libyan connections offered by Basson during his 1997 bail hearings was closest to the truth. The elaborate tale, offered during his trial for the first time, of a senior Libyan intelligence officer acting as his chief "financial principal" and being unknowingly used to advance the interests of the project, was nothing more than Basson's imaginative and most recent bid to explain away the damning documentary and oral evidence about his personal involvement with the WPW Group, said Bower.



Bouwer said the glaring contradictions between this version and those previously offered to the Office for Serious Economic Offences, Military Intelligence and presiding officers during Basson's bail applications, had simply been dismissed as part of a collective SADF decision to mislead various people. However, ANC member Sol Pienaar's testimony that Basson first visited Libya with him in 1993 had dealt a severe blow to Basson's concerted efforts to backdate his links with Tripoli to the 1980s. Bouwer said the court should also reject Basson's claim that he had met with Mandela several times prior to 1993, as it was clear that he had only met Mandela through Pienaar after being dismissed in the December 1992 military purge.

Not a single SADF officer, including former surgeon-general Niel Knobel, or any of the National Intelligence agents who testified, knew anything about any contact between Basson and any Libyan prior to 1993/4. Even Parliament had been told in 1996 that Basson was no longer an SADF member when he began making trips to Libya.

The way in which Basson's counsel conducted his defence came in for a scathing attack. Bouwer said Adv Jaap Cilliers had blatantly ignored the legal procedures and rules of cross-examination.

Bouwer said the full extent of Basson's deviousness was illustrated by the manner in which minor incidents had been dragged into proceedings in order to make a point for the defence, only to be radically amended or abandoned altogether as soon as the State produced another witness or document to prove its point. He said that while the defence was entitled to introduce any statement, during cross-examination, provided there was a basis for the evidence, and conditional on a witness eventually being called to testify about such matters, the defence had not, in fact, called a single witness, except the accused himself. As a result, numerous scenarios and explanations had been placed before the court without any corroboration or confirmation.

Bouwer concluded the State argument with a detailed timeline, showing that between the transfer of funds from Project Coast to foreign banks, and disbursement of the funds to various companies within the WPW Group, or the laundering of funds repatriated to South Africa for use by the Wisdom Group, there was simply no time available for Basson to consult, as he claimed, with his financial principals or take instructions from them on the application of the funds.

Bouwer said the recurring pattern was that Basson instructed Military Intelligence or Project Coast's administrative manager to transfer funds to a foreign bank on the basis of minimal documentation. Within a remarkably short period, frequently on the same day, the funds would be moved to an account in the name of a WPW Group company, on which Basson was a signatory, and used to pay for such assets as private aircraft and luxury properties, or as to be used as operating capital. The paper trail uncovered by the forensic audit, together with documents retrieved from the files of such witnesses as Florida attorney David Webster and Luxembourg businessman Bernard Zimmer, showed clearly that at all times, funds were moved and applied in accordance with the instructions of Basson.

The defence response to the closing arguments was largely a reiteration of the arguments presented during the acquittal phase of the trial last year, with the addition of a personal attack on the prosecution. Ackermann, in particular, was singled out for vilification, Cilliers accusing him of "coaching" all the key witnesses in the case and, by implication, condoning the presentation of false documentation.

Basson having been absent throughout, the defence closed its argument on Wednesday, March 15. Bouwer will not present a verbal response, but will file a written response with the court on Wednesday, March 20. On Thursday, March 27, Dr Torie Pretorius will offer oral argument on the sole remaining charge relating to the classified documents found in the four blue steel trunks.



The court goes into recess for Easter on Friday, March 28. By mutual agreement, the legal teams will return to court on April 8 or 9 to afford the judge a final opportunity to question them on any aspects about which he may need clarification. The judge is then expected to announce the date on which he will commence delivering judgment. It is expected that this will be before the end of April.

A veil of secrecy has meanwhile been drawn over Basson's medical condition. His advocates refuse to release any information to members of the media, and have offered only vague assurances to the prosecutors that he is "recovering", or "doing well". The most recent information indicates that Basson suffered temporary right-side paralysis and is receiving hyperbaric oxygen therapy.

## **Trial Report: Sixty-Two - Special Report**

### **This report covers judgment on Thursday 11 April 2002**

Pretoria High Court judge Willie Hartzenberg has today (April 11) found Dr Wouter Basson not guilty on all of the remaining 46 criminal charges he was facing. Last June, Basson - former head of the South African Defence Force's chemical and biological warfare programme, Project Coast - was granted acquittal on an additional 15 charges.

In accepting Basson's version of events surrounding the alleged abuse of the CBW project, the judge rejected the evidence of almost 200 witnesses called by the prosecution over the past 30 months, as well as thousands of supporting documents.

The finding means that the judge has accepted as fact that while head of Project Coast, Basson was simultaneously serving the interests of a group of Libyan, East German and Russian intelligence agents whom he claims to have met through an international "CBW Mafia" headed by German industrialist Herbert Blucher.

Basson testified that his dual role had the approval of a succession of the SADF's most senior generals.

By accepting this explanation, the judge has also endorsed Basson's claim that more than 100 companies set up internationally under the aegis of the WPW Group, which he was accused of using to defraud Project Coast for personal gain, had actually served the SADF's interests at all times.

The judge also accepted that under Basson's leadership, the South African CBW project produced prototypes of weapons containing a mixture of the agents BZ and cocaine.

While the judge accepted the evidence of former members that one of the objectives of the SADF's covert Civil Cooperation Bureau was elimination of enemies of the apartheid state, and that they used lethal toxins to carry out some of the murders to which they admitted, he said there was no proof that Basson had been consciously aware that these toxins were produced at Roodeplaats Research Laboratories, one of the two official front companies funded by the SADF to serve Project Coast.

As the judge pronounced Basson not guilty on all charges, there was applause from a group of about 30 supporters, including five former SADF generals - retired Defence Minister Magnus Malan, erstwhile SADF chief Constand Viljoen, former surgeon-general Niel Knobel, who was the Project Coast manager and Basson's immediate superior, Joep Joubert, former commander of the SADF's Special Forces to whom the head of the CCB reported, and Dirk Marais, co-ordinator of the SADF's largely successful campaign to dissuade soldiers involved in the Angolan and Namibian conflict during the 1980s from applying for amnesty from the Truth and Reconciliation Commission.



The State immediately gave notice that it intends to seek leave to appeal against today's full acquittal of Basson. The matter was postponed to Monday, April 29, when the judge will hear argument on why witnesses who incriminated themselves in fraud, murder and drug-dealing in order to implicate Basson in the crimes, should be granted indemnity from prosecution. On the same date, the State will indicate when it will be ready to launch its appeal case.

A full report on the outcome of the Basson trial will be distributed as soon as the full judgment has been studied.

## **Trial Report: Sixty-Three - Report on the judgement in The State vs Wouter Basson delivered on 11 April 2002**

**On 11 April 2002, thirty months after the start of Dr Wouter Basson's trial, and after approximately 300 days in court, Judge Willie Hartzenberg pronounced the former head of South Africa's chemical and biological warfare programme not guilty on all charges.**

When the trial began on October 4, 1999, Dr Wouter Basson faced 67 charges of trafficking in drugs, fraud, murder and conspiracy to murder, emanating from his activities while head of Project Coast from 1981 to 1993. Six of the murder charges were dropped before Basson entered a plea, on the basis that the alleged crimes had been committed on foreign soil (Namibia, Britain, Swaziland, Mozambique) and were thus beyond the jurisdiction of the Pretoria High Court. In addition, Basson's defence team argued successfully that along with all other members of the South African security forces, Basson had been granted indemnity from prosecution for deeds perpetrated during the war in Namibia. A proclamation to this effect had been issued by the Administrator-General of South West Africa, Louis Pienaar, five months before the 1989 elections that led to Namibia's independence. Defence advocate Jaap Cilliers said the proclamation had been incorporated into the Namibian constitution.

Basson pleaded not guilty to the remaining 61 charges. In June 2001 he was granted an interim acquittal on 15 of these, and was acquitted on the remaining 46 charges on April 11, 2002.

In accepting Basson's version of events surrounding the alleged abuse of the CBW project, the judge rejected the testimony of 153 witnesses called by the state, affidavits by another 40-50 witnesses and thousands of supporting documents.

In a move unprecedented in South African courts, Hartzenberg allowed the presence of cameras in court on judgment day, and the event was televised live by South African broadcasters.

Analysis of the written judgment indicates Hartzenberg summarised each day's testimony contemporaneously, and the bulk of his final judgment consists of a detailed summary of the evidence presented, with little relative evaluation of witness's testimony. Where comparisons are made and discrepancies highlighted, they are by and large those dealt with during cross-examination, and thus those which favour the accused.

A striking feature of the judgment is the amount of space and attention afforded to "concessions" made by state witnesses during cross-examination by the defence, as opposed to a lack of attention to the eight-week cross-examination of Basson himself. Basson's evidence in chief is extensively reported in the judgement, which endorses much of the testimony as truth.

The only reservation expressed by the judge is that he "formed the impression" that Basson was "not entirely frank" regarding his testimony on the fraud charges, claiming lack of memory in respect of anyone still alive who was involved in the transactions under review. The judge concluded that Basson had testified in "such a manner as not to implicate anyone



else" but said it would be "all but impossible" to decide where he had lied and where not. Hartzenberg expressed no reservations about Basson's testimony in relation to the allegations of his involvement in human rights violations.

A striking feature of the judgment is that it contains numerous factual errors, including incorrect names being given to witnesses and companies, as well as chronological inaccuracies.

The judgement also errs with respect to the motives attributed to two key witnesses who testified against Basson on the human rights charges, namely Mr K and Johan Theron.

According to Hartzenberg's judgement, the prospect of being granted immunity from prosecution in return for implicating Basson in murder "was worth a wheelbarrow full of gold" for Mr K. However, Mr K's actual testimony was that following his severing of ties with Barnacle (forerunner of the Civil Cooperation Bureau) in August 1982, it would have taken "a wheelbarrow full of gold" for him to get involved "with those people" again.

As for Theron, the judgment claims that he was one of several witnesses who had a gun held to their head by the state, and hence he had "no choice" but to testify, and implicate Basson, "after his gruesome deeds were uncovered by the Truth Commission." In fact, the TRC did not investigate Theron's involvement in human rights violations.

Other factual errors include:

- Reference to FBI agent Mary Rook as a Special Agent for the CIA.
- Reference to the Special Forces Club in as the Special Courses Club.
- Reference to a chemical Iraqi attack on an Iranian village named as Valapjar. No such village exists and the reference may be to the chemical attack by Iraqi forces against the Kurds in early 1988 at Halabja.
- Reference to witness Henri van der Westhuizen as Henri Van Rensburg.

A review of Basson's testimony and that of state witnesses, as accepted or rejected by the judge is provided below.

The judgement endorsed the following claims that were made by Basson:

- Basson assisted Iran with the containment of an outbreak of a deadly potato blight (a rare fungus) in the mid-1970s.
- Basson was involved in the rescue of American scientists from a secret laboratory in Zaire after they had fallen prey to their own experiments with haemorrhagic fever.
- Basson and General Lothar Neethling discovered that "some sections" of the Swedish International Peace Research Institute (SIPRI) received funding from Moscow and operated as a front for Russian government propaganda.
- Project Coast's Co-ordinating Management Committee was deliberately misled by Basson regarding his travel plans in the event that there was a spy in their midst.
- Genetic engineering was carried out at Roodeplaat Research Laboratories on viruses, which were altered to make them resistant to known treatments.
- A small sample - or the formula - of a "super-toxin" developed by the Russians and which could penetrate all protective apparel for chemical attack, was acquired by Basson and analysed by (unnamed) scientists at Delta G Scientific. When they found that a 14-step process was needed to produce the agent, Basson was able to "reassure the Americans", who were in a panic at the time, that there was no danger of this substance being produced on mass scale.
- There was one verified chemical attack against Unita troops in Angola, and weaponised CR was used once by SADF troops during Operation Modular (1987/88). Mention is also made of Basson's claim that there were "multiple" attacks in Angola, and that "people died from exposure to nerve gas".



- There was a P4 laboratory at RRL, equipped with glass reactors, which were of East Bloc origin, and a tissue culture division.
- Viruses were genetically engineered at RRL to make them resistant to known treatments or cures.
- Toxins added to items such as chocolates and cigarettes were used during "war games" introduced by Basson to test the abilities of both RRL and Delta G Scientific.
- Basson was entrusted with the laundering of \$250-million in cash on behalf of his "financial principals" - Libyan, East German and Russian secret agents - and purchased valuable real estate on three continents for them.
- Libyan intelligence, in the person of Abdur Razzaq, gained a foothold in South Africa from as early as 1988, entering the country via the then independent homeland of Transkei and using the Jetstar and/or King Air and/or Piper Seneca flown by Aeromed to traverse the country.
- From 1990, Razzaq played the leading role in the affairs of the principals, and in 1988, through Razzaq, Basson met Yusuf Murgham, whose responsibilities included monthly payment of ANC cadres in exile in Southern Africa.
- A condominium in Orlando, Florida, was bought at Razzaq's request when he needed a base from which to launch his intelligence operations in North and South America.
- The company called Genavco was established to enable "the Libyans" to buy six Boeing aircraft from the Belgian Air Force for between \$40-m and \$50-m. However, the purchase did not take place.
- Roger Buffham's company, Contemporary Design Systems and David Chu's company, Medchem Forschungs, were set up with capital supplied by one of the principals, Dieter Dreier.
- The South African companies, Systems Research and Development and Aeromed, were set up with capital supplied by the Libyan principals.
- Two farms in Mpumalanga were bought to allow the principals to study fungi and other aspects of agriculture with the view to developing biological weapons.
- The Tygerberg Zoo was bought to further research into the use of heavy metals and pheromones for crowd control. The principals were furnished with the results of this research.
- Florida attorney David Webster met two of the principals - Dreier (in Orlando) and Razzaq (in London). He was introduced to surgeon-general Nicol Nieuwoudt in his Pretoria office by Basson, and hence could not have had any doubt that Basson was actively involved with the SADF.
- Scientists in Iran were engaged in advanced peptide research and while negotiating with Iranian agents for a state-of-the-art peptide synthesiser, Basson was offered an amount of human growth hormone that "would have taken 300 000 bodies" to produce, and this could only have taken place in Siberia "since that's the only place you have so many bodies".
- Chemical Agent Monitors (CAMs) were obtained for the SADF and UNITA with the assistance of Heyndricks and his boss, Jan Marsk, Dreier and Buffham. At some point, the SADF was asked by the Israeli Defence Force to provide them with one of these CAMs.
- Basson would have supplied a false end-user certificate to Iran if the proposed sale of NBC suits involving the companies Tagell, Copperdale and Blackdale had materialised, but the entire deal was actually set up to hide his purchase of the peptide synthesiser.
- Basson was involved in a project led by German and Austrian scientists during the 1991 Gulf War, which determined that the Americans had used BZ against members of Iraq's Republican Guards. BZ was found in their urine samples and video footage of Iraqi forces emerging from their bunkers showed facial expressions and a gait commensurate with the profile of BZ exposure. The probe concluded that the Americans had used a BZ variant, which had also been tested in South Africa, but rejected because of the dangers of use. In 1992, 500kg of BZ had been bought through Razzaq.
- At the end of 1991, Basson entered negotiations with contacts at the Russian Academy of Sciences in Moscow for the purchase of 500kg of methaqualone. By 1992 it had become clear to him that the Russians would not be able to supply the



product and hence negotiations with Croatian government officials were launched instead. On December 23, 1992, he brought the 500kg of methaqualone from Croatia back to South Africa in the Jetstar and placed it in an SADF depot. Former Swiss intelligence chief General Peter Regli brokered the deal as part of a larger transaction in terms of which he was to acquire enriched uranium from the Croatians.

- Late in 1989/early in 1990, thousands of NBC suits - made by the Belgian company, Seyntex - were donated to Unita by Razzaq. [After implementation of UN Resolution 435 which led to Namibian independence and the withdrawal of both SADF and Cuban forces from the Angolan theatre of conflict.] Distribution of the NBC suits to Unita was halted when the SADF adopted a policy of supplying only humanitarian aid to the rebel movement, and the suits, which remained in Pretoria, were sold on behalf of the principals. The funds were ploughed into the WPW/Wisdom groups. A payment of R100 000 to RRL managing director Wynand Swanepoel, for example, was used to buy a house in Pretorius Street, Pretoria, which could serve as offices for the principals.
- Hundreds of 120mm mortar bombs were loaded with CR at Speskop and donated to Jonas Savimbi to form his last line of defence. Proximity fuses costing more than \$3 million were bought and fitted to these bombs.
- Baboon foetuses from RRL were used by Basson in his peptide synthesis research.
- On his inaugural fact-finding trip to America in 1981, Basson made contact with an American government official who facilitated access for Basson to classified Library of Congress material. The documents used during his trial were "not even two percent" of those he had acquired and compiled during the lifespan of Project Coast, and those retrieved from the files of foreign associates such as Webster, Bernard Zimmer, Buffham and Chu were all false. They must have destroyed the real documents.
- SADF documents produced in court contained errors, e.g. documents indicating that funds were to be shifted from Project Coast's 1992/93 budget to the 1991/92 financial year for the acquisition of chemicals, were incorrect. The funds were actually moved from the 1993/94 budget to the 1992/93 financial year (and thus covered the Croatian deal).
- Three incapacitants were developed as part of Project Coast's research and "the British" were impressed when Basson briefed them in 1994 about the work done by the project.
- Weaponisation of the methaqualone, which was produced by Delta G Scientific in 1988 as part of Project Mosrefcat was halted when it was established that the use of the substance heighten aggression.
- Weaponisation of all incapacitants, with the exception of CR, was carried out at Special Forces Headquarters by Basson, Hekkies van Heerden, Bill Grieves and "a number of youngsters" from the SADF Ammunition Corps.
- Project Coast was the name of the offensive CBW programme. When Basson left the SADF in December 1992 and Colonel Ben Steyn took over as project officer, the name was changed to Project Jota, and the purpose became purely defensive (i.e. from the start of 1993).
- Research records from RRL were captured on fibre optic disks by Data Image.
- In 1985, pharmacist Steven Beukes made 100 000 Mandrax placebos on the orders of the commanding officer of the Special Forces, to be used by operators to infiltrate the drugs-for-arms routes used by the ANC's armed wing, Umkhonto we Sizwe (MK). Basson did not tell Beukes that the substance he was turning into tablets was inert, because the need-to-know principle applied.
- The judge found that it was "highly unlikely" that Basson had offered 100 000 Mandrax tablets to Danie Phaal in 1992 for him to sell. In light of the legal wrangle in which Phaal was embroiled at the time (CCB agents were threatening to expose covert operations unless they were paid their full pension benefits). Basson would not have made such an offer to Phaal, as it would merely have added grist to the mill of the legal battle. The state based its entire case on Charge 30 on "pure speculation".

The judgement accuses the state of having formulated theories based on what it believed had occurred and had then called witnesses to substantiate the theory. According to the judge,



despite witnesses having contradicted these theories, the state asked the court to find the accused guilty. The judge said the state had argued that in so far as the witnesses contradicted the theory, the court should look at the total picture presented, and reject the exonerating evidence. It was not clear to the judge what legal principles he was supposed to apply in order to ignore direct exonerating evidence in favour of circumstantial evidence. In addition the Judge accused the state of not having called witnesses whose testimony would not support the theories they had formulated.

In relation to the human rights violation charges the Judge found that:

- The suspects in the assassination of Renamo Secretary General, Orlando Christina, had not been interrogated through the use of drugs, as alleged by the state.
- The legal argument relating to the charge of Basson's alleged involvement in the murder of Victor de Fonseca was "naïve". According to the Judge, as soon as forensic tests on the exhumed remains of Victor de Fonseca showed that the amount of Thallium in his body was insufficient to have been the cause of his death, the state should have realised that there was "no hope" of convicting Basson.
- While it was "entirely likely" that the Reverend Frank Chikane's clothes had been contaminated with some or other substance, the state had failed to prove that it was paraoxon, (which had emanated from RRL, and had been given to Chris, Gert and Manie by Andre Immelman or that Chris, Gert and Manie had smeared anything at all on Chikane's clothes). Tests by the FBI had failed to find any trace of a toxin on Chikane's clothes.
- As a cardiologist, it was highly unlikely that Basson would have condoned a plan to induce a fatal heart attack in Dullah Omar by administering an overdose of Digoxin. Furthermore, Basson knew that Omar's medication, Inderil, was pink, not white. [The judgment takes no account of the evidence regarding this charge, namely that none of the witnesses called testified that Basson saw either the pills or the powder involved, and thus was never in a position to realise that they were the wrong colour.] In any event, Digoxin was a legitimate medication and its proposed use could thus never form part of the alleged conspiracy to kill enemies of the state by means of toxic substances. The CCB's plans to murder Omar, namely by using a Makarov pistol and his heart medication, fall outside the alleged conspiracy to use toxins as instruments of assassination. There could thus be no suggestion that Basson was involved in such a conspiracy to assassinate Omar.
- As far as the Dukuduku incident is concerned, the judge "would have liked to see the death certificates signed by Bothma after he certified the three victims dead". They would probably have said something like: "Unidentified black man. Cause of death: overdose of Scoline and Tubarine while not attached to ventilator". He wondered, said the judge, if the death certificates would also have had to be thrown into the sea - or perhaps they were to be kept on file somewhere.
- The plan to feed poisoned Jungle Juice to a detainee at Ondangwa was "decidedly odd". Why could the man not simply be killed at Ondangwa? If he was part of an experiment, why had he not first been flown to South Africa before the substance was administered? Phaal was a poor witness. He contradicted himself whenever he found himself in trouble on the witness stand, and hence the entire state case regarding Basson's involvement in this incident was rejected.

With regard to the allegations of drug trafficking that had been made against Basson the judgement states that the court could not decide whether the black refuse bag stuffed into a box of wine that was given to Basson was the result of a slip-up or a set-up by Grant Wentzel. Basson's version of events was accepted, along with the fact that he had stopped at Magnolia Dell on the morning of his arrest to use the toilet, and then driven around the park to check that his son had arrived safely at his nursery school, before meeting Wentzel. It states that the probabilities surrounding the Magnolia Dell sting operation were overwhelmingly in favour of the accused and that Wentzel had engineered the operation, implicating Basson only to save his own skin following an earlier arrest. The court found that Basson did not supply Ecstasy to Wentzel.



The judgement states that the only reason Theron and other CCB operators had implicated Basson in the murders they committed, was to save themselves from prosecution. Dr Kobus Bothma had an additional motive, namely trying to save his career as a doctor.

The judge found that:

- as the CCB's medical co-ordinator, Mr R had only acted as courier for legitimate medical supplies;
- the CCB was shutdown in 1989;
- there was no proof that Basson had known about any abuse of substances supplied by RRL and there was no proof that Basson was aware of the activities of the Civil Cooperation Bureau during the late 1980s, or that they made use of poisons;
- Project Coast had been a phenomenal success and its achievements are a national asset that should be preserved for future generations;
- American and British CBW experts were amazed, when briefed by Basson, at what had been achieved on a relatively small budget;
- Libya, East Germany and Russia played an important role in supplying the project with equipment and chemicals. Other foreign suppliers were Czechoslovakia, Croatia, China, the USA, Britain and Iran.
- The peptide synthesiser was used for research on both brain-altering substances and AIDS. The only caveat regarding the peptide synthesis was that it should not result in permanent brain damage. The peptide synthesiser had also been a "handy resource" in the weaponisation of chemical substances.
- The CMC did not want to know who Basson was dealing with or how he obtained what was needed. None of the members ever complained about his activities, and he was authorised to employ theft, bribery or black market deals.
- Pyrotechnical tests on incapacitants were conducted to the prototype stage. The process was only halted due to the change in the political situation. As part of this process, large quantities of BZ were purchased. The reason the forensic auditor Hennie Bruwer could not find a record of payment of \$2,4 million for a BZ variant, was because the funds came from elsewhere within the SADF, and not from Project Coast.
- Basson ought to have provided Knobel with more information about his activities and contacts when the Office for Serious Economic Offences began their investigation. The state's entire fraud case was based on the forensic report, and at the core of the case was the letter from David Webster to Basson stating that the attorney would act as Basson's nominee as president of the WPW Group. The whole fraud case rested on this document, and any challenge to the state's premise that "Basson = WPW" was the source of serious discord and had, in fact, led to the state seeking the judge's recusal from the case.

Basson's explanation that he had established and administered the WPW Group on behalf of the financial principals, then "hijacked" it for the SADF's advantage, was accepted by the court.

The court accepted without reservation that the "gruesome" murders described had been committed, but found that Basson was not involved in them, and that the meeting with General Fritz Loots at which he allegedly agreed to supply Theron with drugs, never took place. Theron was "a decidedly strange man", said the judge, who had taken a scientific approach to Operation Dual, he said that the idea of placing poisoned beer at taxi ranks in the Eastern Cape at random was a plan so bizarre that it could "only have been thought up by the same man who devised Operation Dual and single-handedly executed that plan".

According to the judgement Basson was an "excellent" witness while Trevor Floyd and Danie Phaal were poor witnesses.

According to the judgement, the state had "not understood the purpose of super-toxins being made at all". When prosecutors discovered what substances had been produced at RRL, they



simply made the deduction that this could not have been for any innocent purpose - there must have been an underlying nefarious intent. No significance could be attached to the fact that Basson had been asked to help wind down the CCB.

The judgement endorses Basson's claim that he did not know what was in the four steel trunks stored by Samuel Bosch, and did not realise, until after his arrest in January 1997, that Bosch was custodian of the trunks. Basson had taken whatever steps were necessary for destruction of Project Coast documents, and he neither packed the trunks nor knew what was in them.

The judge said that both incapacitants and irritants were essential components of a CBW programme, along with NBC suits. He said that the weaponisation of incapacitants is a difficult process as, ideally, the substance should be ingested through the nasal mucous membranes and endorsed Basson's claim that Ecstasy had to be manufactured by Delta G Scientific because acquisition of a formula was not good enough, since all formulas made available by other programmes contained deliberate errors.

According to the judgement, at the end of 1986, the WPW Group was set up because Basson needed to procure substances and materials abroad as all ties between the SADF and Delta G/RRL had been severed. Weaponisation of the incapacitants was part of this process, along with the need to acquire CAMs and wet detection kits for the operations Hooper, Modular and Packer. Everything, according to the judge, was going well - until "a new president came along in 1989" and FW de Klerk's February 2, 1990 speech heralded a new political dispensation for South Africa. Production of incapacitants was accelerated in anticipation of the international convention being signed and weaponisation was to be concluded prior to that date. Meanwhile, the privatisation of the front companies was also set in motion.

Hartzenberg found that a secret laboratory had existed at Speskop (Special Forces headquarters), that the work claimed by Basson was done there and that the laboratory was dismantled and all the equipment destroyed when Project Coast was shut down.

Regarding the peptide synthesiser, the judgement states that prosecutor Anton Ackermann had been "so incensed" by the accused's claim that it had been bought that "he literally became tongue-tied every time he had to use the term in court". The judge said that the state had gone out of its way to publicly humiliate the accused during cross-examination regarding the fact that in order to obtain his MB ChB degree, he had only needed Chemistry I. According to the judge, former Delta G scientist, Lucia Steenkamp was blatantly antagonistic towards the accused, and that, for the most part, Hennie Jordaan shared her sentiments. The judge said that neither of them had any idea of the advances that had been made in peptide synthesis during the project's lifetime, their knowledge being eight or nine years out of date. In addition, he said that they had not known that equipment was available that could synthesise 96 peptides simultaneously, self-correct and monitor the microbiological development of peptides. Clearly, Basson had conducted research on peptides which neither Steenkamp nor Jordaan had been told about.

There was no question in the judge's mind that the peptide synthesiser had been bought and later swapped for 500kg of methaqualone. He was at a loss to understand the state's insistence that the equipment never existed, or that Basson was not qualified to undertake such research.

The judge found that the certificate issued by Military Intelligence verifying the destruction of Project Coast's drug stocks, was genuine and reflected the true state of affairs at the time. How else, asked the judge, could incapacitants have been weaponised? The state had argued that these substances did not exist, but the judge claims that they must have. The judge therefore found that BZ was bought and paid for with the funds which forensic auditor, Hennie Bruwer incorrectly identified as being used to purchase the Croatian methaqualone.



According to the judgement, claims by the state that financial controls were dismally lacking throughout the lifetime of Project Coast were based on the "wildest speculation imaginable".

The judge found that cocaine had been smuggled into South Africa for Project Coast had been hidden under a consignment of bananas because the chemicals sprayed onto the bananas to preserve them in transit, confuses drug sniffer dogs.

He also found that Basson was a secret agent. The state's claims that he romanticised events and spouted fantasies about his exploits, were "absolute hogwash".

According to the judge, the state had effectively scuppered its own case. At the outset, it had claimed that none of the equipment mentioned in the fraud charges, had ever been acquired by Project Coast. As the case proceeded this position shifted and the state began to backpedal and claimed that if the equipment had in fact been bought, then it had not been paid for with the funds which the accused claimed were used. There was, however, no escaping the fact that the alleged R36 million fraud represented almost the entire amount of Project Coast's funding which was sent abroad.

Regarding some of Basson's foreign associates, the Judge found that Dr David Chu was a money-launderer and dishonest having known that he was a sanctions-buster for the SADF. Bernard Zimmer's protestations of innocence regarding Project Coast were equally false. Webster knew he was moving "funny money", and was happy to perform the services for which he was well paid. The same applied to his wife, Jane. Van Remoortere, said the judge, was an opportunist who would say anything, in the judge's opinion, to save his own skin.

The state claimed it would have been "unheard of" for Basson to work with Libyans, Russians and East Germans as part of Project Coast, but the court knew, for example, that he had travelled to both Russia and Croatia. In the case of Orda AG vs Nuclear Fuels Corporation of South Africa, it had emerged that South Africa sold uranium to Russia at a time when no diplomatic ties existed between the two countries. As in [Eschel] Rhodie case, it was a known fact that normal Treasury controls and regulations were sometimes by-passed when politics dictated that this was prudent, and Basson had the added burden of having to bypass international sanctions as well.

There was an enormous responsibility on the prosecutors not to become involved in criminal investigations, said the judge. They were expected to remain objective, and not to secure a conviction at any cost. The state had tried to relate everything involving the accused to the alleged fraud, for example the return of the peptide synthesiser twice to Europe for repairs. The prosecution would have done well to "sit down and think things through before jumping to conclusions". As part of the seven-year investigation, two senior advocates had travelled to Canada for the sole purpose of consulting with Bothma on two aspects of the case. Why could an investigator, either from South Africa or from Canada, not have dealt with this matter? That would be the normal procedure. In his opinion, said the judge, the time was not yet ripe for prosecutors to play the role of investigators.

The state immediately gave notice of intention to seek leave to appeal against the outcome of the case. On Friday, May 3, Hartzenberg granted leave to appeal only against his refusal, in February 2000, to recuse himself from the case on the grounds of bias. Preparation of this appeal is currently under way. Should the state be successful, the effect will be nullification of the entire trial after the date of Hartzenberg's refusal, including the verdict, and the state is likely to initiate a new trial.

Hartzenberg did not grant the state leave to appeal, at this time, on some 38 points of what they argue are legal errors on his part.

On May 3, Hartzenberg granted indemnity from prosecution to 24 of the 30 state witnesses who testified in terms of Section 204 of the Criminal Procedure Act. Those indemnified are: Rita Engelbrecht, Jan Anton Nieuwoudt, Henri van der Westhuizen, Joof Booyen, Pieter



Botes, Mr C, Slang van Zyl, Calla Botha, Staal Burger, Wouter Jacobus Basson (aka Christo Britz), Mr T, Mr R, Colonel Matie van der Linde, Dr Daan Goosen, Dr Andre Immelman, Dr Klaus Psotta, Steven Beukes, Charles Zeelie, Nanny Beyers, Boela Burger, Eric Kennelly, Mr Q, Dr Mike Odendaal and Dr Jan Lourens.

Indemnity was not granted to Johan Theron, Danie Phaal, Trevor Floyd, Mr K, Dr Kobus Bothma and Grant Wentzel.