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CHAPTER 2

NAMIBIA

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Introduction

Namibia often markets itself as ‘the back door to Africa’. It is a vast and underpopulated country that borders South Africa, Botswana, Angola, Zambia and Zimbabwe. As a country that is relatively well-developed in terms of its road and communications infrastructure, Namibia is easily accessible to anyone—including organised criminal groups. Good relations between South Africa and Namibia facilitate easy cross-border movement for citizens, including criminals, some of whom also use Namibia to access Angola and other northwestern areas of the Southern African Development Community (SADC) region.

The current ruling SWAPO South West African People’s Organisation (SWAPO) Party came to power in 1990 after waging a 27-year-long armed liberation struggle (1963–1990) against apartheid South Africa’s occupation of Namibia. Although this war was largely fought in southern Angola, the legacies of that struggle continue to impact on Namibia’s political culture, and on the nature and patterns of organised crime in Namibia.

This has as much to do with the way in which the war was fought as with where it was fought. It was a low-intensity conflict that saw both sides proclaiming a ‘total strategy’ (military, political and economic), and which was finally ended through a political settlement under United Nations Security Council Resolution 435, implemented on 1 April 1989.

It was also a struggle of ‘haves’ against ‘have-nots’, and crime was considered by many as a legitimate way of taking up the struggle against the South African regime that dominated the politics of Namibia. Because of the racist laws that applied in Namibia, the Namibian police and law enforcement agencies—the South West African Police, the Security Branch, Military Intelligence and, later, elements of the Civil Co-operation Bureau—were all highly politicised. As a result, law enforcement tended to be selective: blacks were prosecuted for petty crimes, while whites were often given mere brotherly warnings. This relative

leniency towards the ruling establishment contributed to an increase within the white community of organised criminal activities such as diamond smuggling and related white-collar crime.

The military sorties which SWAPO's guerrilla wing PLAN (People's Liberation Army of Namibia) launched from Zambia into the northeastern Namibian territory of Caprivi between 1963 and 1975 had only a limited effect. However, the *coup d'état* in Lisbon on 1 April 1974 and the collapse of Portugal's 400-year-old colonial system resulted in revolutionary changes occurring in Angola. The Portuguese military campaigns against the various liberation movements collapsed and the colonial authorities as well as thousands of skilled Portuguese settlers made a hasty retreat to Portugal.

SWAPO immediately accepted the invitation by the new Angolan authority to establish military bases in the newly independent Angola. It was also a war of switching allegiances: UNITA and SWAPO were initially politically aligned as both had strong support in Kwanyama-speaking areas in Namibia and Angola. This particular bond was to manifest itself later in post-independent Namibia in the area of diamond smuggling.

However, by 1975, SWAPO's leadership was backing the ruling MPLA in Luanda, and began building a close relationship with this former liberation movement. In Southern Africa, military clashes between the South African Defence Force and liberation movements such as the MPLA, SWAPO, ANC and Frelimo intensified, with the liberation movements benefiting from the newly acquired logistical footholds in Angola and Mozambique.

As a vital buffer zone between South Africa and an increasingly well-armed Angola, Namibia became highly militarised. Its police force was increasingly drawn into the conflict as the Pretoria government sought to mobilise mainly the local white population. This had the effect of politicising crime, which led to weaknesses in the law enforcement agencies that were inherited by SWAPO when Namibia gained its independence on 21 February 1990.

Post-independence law enforcement was influenced by this experience. Several top police officers were sidelined after independence because of their role during the apartheid era, resulting in a loss of police expertise. Factors such as a shortage of skills and ill-equipped new recruits contributed towards a general deterioration in the administration of the police.

As has happened in South Africa, post-independence Namibia was hit by serious increases in crime. The newly acquired freedom of movement in the country and high, but unmet, expectations of the poor contributed to this increase. Farm murders as well as other forms of violent crime such as rape and murder increased significantly, as the police force went through the throes of transformation, battling to keep crime under control.

The government's response was to increase the number of police in uniform. Following several large demonstrations by former PLAN fighters, the Minister of Home Affairs created the so-called Special Field Force (SFF), a paramilitary unit which had a very visible and positive effect on combating petty crime, but in which ill-equipped SFF members also had lapses of judgement in dealing with common crime. Particularly in difficult areas, such as the Kavango and Caprivi regions, SFF members were implicated in arbitrary executions and other crimes related to poor discipline.

Ever-increasing crime rates eventually led to the Minister of Home Affairs banning the daily publication of such statistics in detail. Even though the initial upsurge in crime appears to have slowed down, crime levels in Namibia continue to increase. In an address to the nation on the crime situation (2 May 2002), President Nujoma stated that it remained "an area of great concern". He noted that crimes that were on the increase included those involving the defrauding of public and private enterprises by organised crime syndicates, drug trafficking, motor vehicle theft, housebreaking and shoplifting.

Because of the country's history, many criminal syndicates (especially cross-border ones) therefore tend to have had their roots in the political struggle. This is particularly true of diamond and car smuggling syndicates that operate into Angola and Zambia.

Organised crime in Namibia

Because of its good infrastructure, modern telecommunications and general accessibility, Namibia has become a conduit for illicit trade in a variety of commodities (most notably stolen cars, illegal arms, drugs and diamonds) between Southern Africa's most economically developed country, South Africa, and its least developed and most lawless one, Angola.

Organised crime has tended to concentrate on the most lucrative forms of illegal activity, such as the illicit diamond trade. The diamond smuggling 'industry' is, therefore, by far the largest area of activity. Stolen vehicles are often used to pay for diamond deals—a modern-day barter trade.¹ Because of its abundance of readily obtainable diamonds and the relatively easy wealth that comes with them, Angola has become a major market for stolen luxury goods, such as 4x4s and consumer electronics.

Cultural and ethnic links between southern Angola and northern Namibia, where the Kwanyama-speaking people live on both sides of the border, have facilitated this development. An agreement between Namibia and Angola to allow free movement of people and animals within 30 kilometres on either side of the poorly patrolled border has further exacerbated the situation.

Characteristics of organised criminal groups or networks

In general, there is little evidence that the criminal syndicates that operate in Namibia have strict hierarchies. Groups tend to come together for a specific undertaking, and then go their separate ways again. Available information suggests that rather than operating according to hierarchical structures, individuals in such groups tend to operate more as 'club members' or members of loose associations.² The single exception relates to Italian Mafia activity in Namibia.

However, there are some indications that in central northern Namibia (Owamboland) loosely organised car and diamond smuggling syndicates are organised around family and kinship, especially amongst the Kwanyama-speaking people. They tend to form loose bands of operators, who easily cross the border because of their familiarity with local conditions.

Family and kin connections also play a role, especially along the Caprivi Strip, in cross-border poaching.³ There have also been similarly organised smuggling activities along the Kavango border among the Rukwangali people, but this has been stopped by the large security clamp-down in the wake of the 1999–2000 anti-UNITA campaign along the border.⁴

In southern Namibia, there also seems to be a meteorite smuggling syndicate based in Gibeon, where a magistrate appears to have enlisted the help of family and kin members of the Nama-speaking people.⁵

Motor vehicle theft

Vehicles stolen from South Africa often find their way to Namibia by means of various highly organised syndicates. Weaknesses in border control between Namibia, where, for example, there is a 10-kilometre gap between the South African border post of Nakop and the Namibian Ariamsvlei border post, make it easy for smugglers to switch licence plates and registration discs without being seen.

Motor vehicle theft through insurance fraud

Vehicle owners often work closely together with syndicates. Such owners include persons who have fallen behind with payments for their vehicles. According to the police, some motor vehicle theft syndicates place adverts in the 'classifieds' sections of major urban newspapers in South Africa, offering help with lease agreements.

By arrangement with a member of an organised criminal group, the car is removed and reported stolen to the police after an agreed period. Vehicles stolen in South Africa in this way are then driven through the South African border post of Nakop with the original set of South African plates and documents, but between the two border posts these are substituted by a Namibian set of plates and matching documents. The Namibian border police tend not to search arriving Namibian-registered cars. The vehicle is then 'off-loaded' (sold to the next owner) before the original owner reports it stolen, allowing it to pass basic police clearance procedures (such as checking details against computerised but often outdated lists of stolen vehicles) before the new registration.⁶

Motor vehicle theft through cheque fraud

In other cases, luxury 4x4s, especially, are stolen by using false cheques and then moved to northern Namibia and from there to Angola via several access routes. In one case during 1997/8, a very prominent northern Namibia businessman, one Jarius ('Punyu') Shikale, was twice caught with vehicles so stolen from South African dealerships; one vehicle was being driven by Shikale personally, while two others were being offered for sale at his local car dealership in Oshakati.⁷ Shikale is an influential businessman in northern Namibia who employs a substantial number of persons.

The case only came to light after the insurance company, which had hired a private detective to try and recover the vehicles, brought an urgent injunction in Namibia's High Court against Shikale, forcing him to hand the vehicles over to their representative. A few months later, Shikale was again found to be in possession of stolen vehicles and, as in the previous case, the Namibian Police took no legal steps against him. According to a police source,⁸ members of the police in the Oshakati office squashed the cases.

A former Oshakati Branch Commander, Chief Inspector Vilho Nghifindaka, has been accused in anonymous letters to the press as being one of the main figures in a stolen car racket operating across the Namibian/Angolan border, allegations which he has denied. He has since been transferred to Windhoek, but allegations about his links with car theft syndicates continue. He allegedly has close links to a very senior police officer in Windhoek.⁹

Although there are a number of syndicates that have been involved in motor vehicle theft, very little reliable information could be obtained about them. One such organised group, which uses the insurance fraud method to steal cars, appears to be made up by members of a known family from Germiston, South Africa. One of the family members appears to be the main operator while his two brothers do most of the driving of the vehicles to Namibia. This syndicate has links in Namibia and appears to have worked closely with a Pieter Myburgh from Okahandja, Namibia, an owner of transport and other businesses who has been convicted of fraud.¹⁰ Links to police structures appear to have assisted this person in obtaining the criminal record of the bank investigator for use during his trial.

Cheque fraud syndicates

Information has also come to light regarding a highly sophisticated network of cheque stealing from various ministries and private companies. Cheques are typically stolen by lower-level employees of the affected institutions, who then sell them on to a network of well-established businessmen.

These businessmen then approach third parties, usually persons with well-established lines of credit with local banks, whom they then ask to cash such cheques. In some cases, the third parties have been arrested, but the ringleaders escaped detection.¹¹

Diamond smuggling

The smuggling of uncut and rough diamonds, prohibited by law in South Africa, Botswana and Namibia, is by far the most lucrative field for organised crime in Namibia. A number of organised criminal groups or syndicates—including ones that may or may not be legitimate counter-infiltration operators of the Diamond Police (officially, the Protected Resources Unit)—are active in this area.

As part of their anti-smuggling measures, police have over many years used paid informers to infiltrate or inform on such syndicates. Informers have been offered as much as 60% of the value of the cash involved in the illegal diamond business (IDB) deals that they uncover. This practice has evolved into a system where police informers regularly set up potential buyers by enticing them, also from Europe to Namibia, with offers to purchase large diamonds.

The Diamond Branch already employed the practice of entrapment with fear-some effect during the 1980s. During that period, and under the command of former Inspector Hennie Brink, this method was used to build up a large network of collaborators and smugglers. The risk of long-term undercover operations leading to illegal activities by the police themselves is always real. Following Namibian independence in 1991, the practice and culture of entrapment remained in place. Many police officers who had previously co-operated closely with the political agendas of the apartheid era found themselves sidelined and with reduced career prospects. Some chose to resign and join the private sector while others elected to pursue their own agendas from within the police force, including illicit dealing with diamonds.¹²

The Pearson case

With the advent of the brief Angolan ceasefire in 1992 and the relaxation of diamond laws in Angola, smuggling increased at an enormous rate as many Angolan traders entered Namibia to buy goods, often offering diamonds in payment. This necessitated some drastic measures by De Beers, which began buying up all top quality diamonds on the open market.¹³ De Beers also invoked a 25% production cutback clause with all client mines in order to shore up the diamond price, which dropped significantly during that year. De Beers, together with the Namibian Diamond Police, worked hard to buy up the Angolan diamonds that flooded the market. As a newly independent state, Namibia was becoming very popular among international diamond syndicates

looking for a better buy than De Beers' Central Selling Organisation (CSO) could offer.

During this period, a man named Thomas George Pearson was sent to Namibia from South Africa, with the involvement of both the police and De Beers, in order to infiltrate the illegal diamond trade. He set up a diamond buying shop in Windhoek with his girlfriend.¹⁴ Pearson then proceeded to buy rough diamonds from many syndicates that had sprung up in the wake of the Angolan diamond boom. His cover was blown when he became involved with suppliers of illicit diamonds who had also supplied other police contacts. He fled the country. The Diamond's Branch's Inspector Hennie Brink died from a shotgun wound to his back in Cape Town in 1994 under mysterious circumstances.

Although the Namibian government enforces diamond legislation in the country's larger economic interest, evidence suggests that old habits die hard. Some senior and well-connected Namibians continue to be involved in diamond smuggling, with Angola providing a steady source of rough and uncut diamonds.¹⁵

The diamond smuggling syndicates do not, as a rule, actively recruit new members, but they will occasionally start working with someone who is of similar background and experience in the diamond smuggling business. Links to the police are frequently present. Many of the individuals involved are Afrikaans speaking and are often described as being part of the 'Boere Mafia'. Most of them have previously served in the military, an experience which constitutes one of the common bonds between them. Some of these individuals form part of the Afrikaner establishment in Namibia. Their political allegiances are more likely to be towards the opposition Democratic Turnhalle Alliance than towards SWAPO. It is, therefore, unlikely that they have any significant direct influence within the SWAPO government.¹⁶

The 'Knockity' case—James Carroll and Air Namibia

Even during the late 1980s, some members of the Diamond Branch used the practice of swapping the larger diamonds in any illegal parcel that they had confiscated with smaller, inferior stones. Alternatively, diamonds could also be swapped for silver topaz—they have the same colour and texture as diamonds, and are heavy enough to be mistaken for rough diamonds by the novice. These fakes came to be known as 'knockities' (as used in a 'knock', i.e. a rip-off).¹⁷

Under the late Inspector Brink, a culture developed of enticing foreign diamond buyers to Namibia. Buyers would successfully buy several parcels dur-

ing separate visits to Namibia. Typically, an Antwerp- or London-based dealer would initially be offered a small but excellent package of diamonds (the '*loop-pakkie*' or 'walk-away parcel'). Such dealers often returned for more, until the informer set up a big deal worth several million dollars. That would then be the opportunity for the informer to expose the trap and arrest the dealer, with the undercover policeman collecting up to 60% of the cash involved. These set-ups have also become known as 'knocks'.¹⁸

An Australian diamond dealer from Sydney, James Carroll, was ensnared in such a 'knock'. According to Mr Carroll,¹⁹ he had often inspected but never bought Namibian or Angolan diamond parcels in Windhoek, although he often placed advertisements in the local newspapers inviting prospective diamond dealers to contact him.

During 2000 he was contacted by one of his regular Namibian sellers to buy a parcel of 4,000 carats. The seller, together with two Namibians and an Angolan, then showed him the parcel in Windhoek, during which he offered to buy a selection of diamonds on condition that they were delivered to Frankfurt International Airport. The Namibian sellers assured him that getting the diamonds out of Namibia would not be a problem.

The prospective sellers insisted that they would fly to Frankfurt with Air Namibia, and tickets were duly purchased at Carroll's expense. The parcel was then passed to an Air Namibia ground hostess, who delivered it to the three sellers on the plane a minute before the aircraft's door was closed. According to Mr Carroll, who was sitting a few seats behind the three, this procedure was a practised one.

Upon arrival at Frankfurt, Carroll accepted what seemed to be the same parcel for payment of US\$140,000, only to discover that he had been defrauded and handed 'knockities' instead. Throughout 2001 he sought to bring the three 'sellers' to justice, including forwarding a full statement to the Head of the Protected Resources Unit. He also forwarded details of the Air Namibia smuggling allegations to a top Air Namibia executive, who told Carroll that this was a well-known syndicate but that he was powerless to intervene, as even more senior officials with close links to top political figures were allegedly involved.

According to Carroll, he was approached while in Namibia by a well-connected and powerful local businessman who shall be referred to here as 'Mr Duma'. 'Mr Duma' apparently instructed Carol to stop placing adverts in the newspaper asking for diamonds, and to buy all his diamonds from 'Duma'

instead. 'Duma' owns several wholesaling warehouses in the close proximity of the Namibian-Angolan border and is also the owner of a prestigious multi-story office block in Windhoek's central business district.

Carroll maintains that he faxed details of the men who had defrauded him to about 100 persons and political offices in Namibia without any steps being taken against them.

The role of Air Namibia in the smuggling of diamonds by organised criminal networks remains under suspicion. According to reliable sources, top government persons, who were also involved with the purchase of Namibia's only trans-continental aircraft, were thereafter keen to buy another Boeing 747 for Air Namibia. It was apparently envisaged that this aircraft would be used to fly from Windhoek to Nairobi and from there to Dubai in the United Arab Emirates. Given that Dubai has recently emerged as a major conduit for especially UNITA-mined illicit diamonds, unless Air Namibia clears its name, a question mark will continue to be placed over it because of its alleged links to diamond smuggling.

Available information does not suggest that the particular network involved in the Carroll case follows a hierarchical structure. The individuals seem to get together on a regular basis to set up 'knocks'. The names of at least eight members of this network are known. Most of them are Namibians, but a considerable number are Angolans and allegedly include a General. Some of the Namibian members operate between Namacunde in Angola and Oshakati in Namibia. At least half of the Angolans in this Namibian-Angolan syndicate appear to have undergone military service in Angola. The main figures live a flamboyant lifestyle.

According to Carroll, members of the syndicate made it clear to him that they enjoyed protection at the highest level. They threatened to have him killed should he ever set foot on Namibian soil again and warned that they had contacts among customs and immigration officials who would know immediately should he do so.²⁰

The Mafia connection

In the wake of the James Carroll case, information was obtained about another diamond smuggling syndicate that appears to have contacts with the Italian Mafia. It also appears to make use of the 'knock' for quick profits. 'Knocks'

have apparently been set up in Italy, Switzerland, Spain and Portugal. The group, most of whose members are Italian-speaking, is apparently also involved in running diamonds from Angola to South Africa. One of the persons associated with this group is Angelo Pieras, an Italian from Palermo who has bought several properties in Windhoek and who drives, among other cars, a red Rolls Royce and a Lotus Elise sports car bought from Vito Biaggone.²¹

Sources have also identified one of the members of the network as having been involved in a diamond robbery in Windhoek where several hundreds of thousands of US dollars worth of cut diamonds were stolen at gunpoint from a local jeweller. The person linked to this robbery thereafter left for Italy and allegedly returned flush with cash. One of the members of the smuggling network is an Angolan, who is known to be a source of Angolan (UNITA) diamonds.²² He allegedly works closely with a person who was associated with an official in the Prime Minister's office. He also appears to have good connections with officials in the Department of Home Affairs. During various discussions during 2001 he boasted of being able to procure 'fully legal' passports for USD\$10,000.

Pieras' best known association with a high-profile Mafia connection is with Vito Pallazollo, a Cape Town resident whom the Italian government has been trying to extradite from South Africa—thus far without success.²³ He obtained South African residency under questionable circumstances in the late 1980s and is still wanted in Switzerland, where he was convicted of money laundering for the Mafia's 'Pizza Connection' heroin network. Pallazollo bought a farm in the Omaruru district of Namibia,²⁴ and shortly thereafter a Mr Silvio Polera, who is allegedly a major figure in the organisation of the Italian Mafia in South Africa, also moved to Namibia. According to sources, Pallazollo and Polera have met at this farm, and during the recent past some high-ranking Namibian politicians have been hosted there as well.²⁵ Pieras has also been associated with Silvio Polera, who continues to live in Namibia on his property in Klein Windhoek despite being sought by the South African authorities for his alleged links to a number of crimes. A previous effort by the Italian government to extradite him failed, apparently because the Namibian government did not recognise the crimes for which Polera was being sought in Italy.²⁶

Pallazollo has also been linked to other enterprises in Namibia. When the ostrich industry was booming in Namibia during the mid-1990s, he and an Israeli businessman, Gershon Ben-Tovim, established an ostrich-breeding com-

pany called NACOCO on Pallazollo's farm near Omaruru. Other directors of this company were Rapama Kambehozu, one Johan Visser and a certain Hendry Vidler of Kensington, London.²⁷ NACOCO was placed into liquidation in 1998, but the approximately 10,000 birds that they had in their stock lots continued to be fed at a cost of about US\$100 per head per annum, including amortisation costs of the breeding stock—at whose expense is not clear.

State-owned diamond mine in the DRC

Allegations of illicit diamond dealings have emerged during the course of investigating links between Namibian diamond claim-holders in the Democratic Republic of Congo (DRC) and the smuggling of diamonds out of the DRC and Angola. Many of these allegations are linked to the Namibian Army's controversial diamond mining company in the DRC, 'August 26', which mined in a 25-square kilometre concession at Maji-Munene, southeast of Tshikapa, about 45 kilometres from the Angolan border of the Lunda Norte Province.

According to a reliable source, the diamond mining company for which he (the source) was working had been approached several times with a view to 'washing' illicit diamonds through their claim. With as many as 15 to 20 new diamond claims granted during 2000 and 2001, there existed considerable opportunities for laundering diamonds mined in the DRC and Angola. While the Namibian government has confirmed the existence of this mine and its operations, the responsible officer—the Namibian Minister of Defence—had by the end of 2001 not tabled a financial report for the mine, even though it was set up with state funding with the initial objective of off-setting Namibia's military costs in the DRC.

Although the directors of August 26 are listed publicly, well-placed sources insist that those benefiting from this trade are not listed among the company officers.

The Israeli connection: Namibian Diamond Recovery (NDR) (Pty) Ltd.

August 26 is also involved with the already-mentioned Israeli, Ben-Tovim. He is co-owner of a diamond mining company, Yam Diamonds Recovery (Pty) Ltd., in partnership with his now estranged wife, Sarah, but managed by Ben-Tovim. Yam Diamonds has since early 1993 held the exclusive contract to mine the shoreline for diamonds along the Namibian coast between Oranjemund and Bogenfels, an area better known as Diamond Area 1, held under license by De Beers since 1938. It has a share with De Beers in Quarter-

deck, a company that leases three boats that operate the Yam Diamond concession inside existing De Beers diamond claims along the coast.²⁸

Why non-Namibian like Gershon Ben-Tovim was given what amounts to probably one of the most lucrative diamond concession areas along the beach of Diamond Area 1 is not clear.²⁹

According to his estranged wife, Sarah, since the mid-1990s Ben-Tovim has also become active in the Russian diamond trade. A matter of contention between Ben-Tovim and his partner has been his attempts to have Yam Diamond's mining license revoked and transferred to Namibian Diamond Recovery (NDR) (Pty) Ltd., apparently in order to eliminate his wife's 50% share in the company. As at the end of 2001, the directors of NDR were:³⁰

- Festus Naholo (a top businessman with close links to SWAPO and closely associated with Aaron Mushimba);
- Gershon Ben-Tovim;
- BB Stewart-Roberts (the wife of a local industrialist);
- H Gischen (Ben-Tovim's lawyers);
- SW Martin (an associate of Ben-Tovim);
- Il (Issy) Namaseb (a former Secretary to Cabinet);
- LS Uundja (a business figure with good political links);
- Dr Z Erkana (the Permanent Secretary of Environment and Tourism); and
- R Urub (a business figure with well-established political links).

Sources maintain that most of Namibia's diamond trade was directed, in one way or another, from the Office of the Prime Minister, mostly through contacts to the President's brother-in-law Aaron Mushimba, a Herero, and Mushimba's main business partner, one Coen Wium, who is apparently a former SADF military intelligence operative, born in South Africa but of Belgian origin.

Other persons apparently linked to the diamond trade in Namibia are:³¹

- George Naumdjebo (a businessman, allegedly a buyer of UNITA diamonds);
- Dirk Conradie (a senior partner in the legal firm, Damaseb and Conradie);
- Rapama Kambehoze (who travels regularly to Antwerp via Frankfurt to sell diamonds on behalf of his partners); and
- John Akwenya (a lawyer with Damaseb and Conradie).

These are all person with access to the Prime Minister's Office and they exhibit considerable wealth.

Drug smuggling

During the past ten years, Namibia has become a conduit especially for the smuggling of cocaine from Angola to South Africa, which has the wealthiest market in the region.

Several large 'busts' have been made, usually involving 'mules' caught smuggling the drugs by bus or plane into Namibia by concealing them in false suitcase bottoms, food, batteries, etc. Drugs are also carried across the Namibian-Angolan border and brought to Windhoek, from where they are further distributed to South Africa. There has been no indication that the criminal networks involved have penetrated state structures or that they have influence in senior political circles.

Subsequent to the renewed fighting that erupted in Angola during 1998, Namibia has played host to a large number of Angolans, many of them young men from wealthy Angolan families that can afford to send their children to live in and attend school in Namibia. There were, by some estimates, as many as 25,000 Angolans living in Windhoek during 2001,³² many of whom enjoy high standards of living.

Cocaine consumption does occur in Namibia but appears to be on a minor scale involving cocaine originating from South Africa. Those involved in the trafficking of cocaine are mostly of Angolan origin although a Windhoek night-club owner has been accused several times of being involved in trafficking in this drug.

An Italian Mafia link to offshore trans-shipments of cocaine also appears to exist. Reliable sources have linked Vito Biaggone with such activities. During 1999 the Italian authorities sought his extradition from Namibia in order to stand trial in Italy on charges of having been involved in the trans-shipment of cocaine from ships arriving from Brazil, onto Spanish ships that thereafter transported it to the Mediterranean area. The Italian authorities also wanted to try him on charges of being a member of the Italian Mafia. It was alleged that between 1994 and 1997 Vito Biaggone had been involved in the trans-shipment off the Namibian coast of large quantities of cocaine. He was also accused of

attempting to smuggle 592kg of cocaine by boat from Brazil into Italy and of assisting to ship five tons of hashish from Morocco, also to Italy.³³ Biggione denied all these allegations. The application for extradition failed because of lack of evidence and because membership of the Mafia was not a criminal offence in Namibia.

Crack cocaine has also found its way into Namibia, with particular prevalence in Walvis Bay's township of Narraville. This suggests that it may be coming to Walvis Bay from Cape Town via fishing boats. Again, the owner of a nightclub in Walvis Bay was accused of being involved in the trade, but no corroborating evidence could be found.³⁴

There have also been several recent cases of young people taking overdoses of heroin with fatal consequences. This drug appears to reach Namibia via Tanzania and Zambia. A Tanzanian citizen was arrested in 2000 in this regard, but police declined to discuss details as investigations were ongoing.

The trade in marijuana (*dagga*) is the biggest drug trade in Namibia. This drug is usually supplied from South Africa, which counts as a major producer in the region. Large quantities are smuggled by organised networks, normally on behalf of Cape Town-based Xhosa syndicates, using furniture removal vans and large trucks carrying bulk goods.

Gun-running

Prior to South Africa's 1994 general elections, a gun-running syndicate of mostly Xhosa-speaking women operated between Namibia and South Africa. This group typically took bales of used clothes to the Namibian/Angolan border, where these were traded for weapons that were then smuggled back to South Africa, often in empty furniture removal trucks. The guns (mostly AK47 type assault rifles) presumably found their way back into the South African criminal world.

This syndicate was, however, uncovered late in 1993 and five Xhosa women were arrested; all are still serving prison sentences.

Chinese criminal groups

The activities of Chinese criminal groups in Namibia are not well documented. Some elements within the growing Chinese community have increasingly re-

sorted to violence. In two cases recently reported in local media, automatic assault rifles and other unlicensed firearms were confiscated from various Chinese groups.³⁵ In one case, an individual opened fire on a group of people attending a baby shower in a local hotel. Chinese organised criminal networks are also linked to the noticeable increase in the availability of counterfeit goods in Namibia.

Through the many small shops that they run, some Chinese traders have also been active in the diamond smuggling market. Towards the middle of 2000, two Chinese traders were executed outside Tsumeb in northern Namibia in what was said to be a diamond deal gone wrong.³⁶ A subsequent police investigation quietly led nowhere.

Abalone smuggling

Until the end of 2001, an abalone smuggling operation was being conducted from a secluded farm close to the Orange River border between South Africa and Namibia. Small planes, flown from an improvised airstrip, were used to transport abalone to Harare, Zimbabwe. The operation was closed down when a plane was detained late during 2001 at Francistown by Botswana authorities who suspected either arms or currency being smuggled. Chinese organised criminal groups control the abalone smuggling trade in South Africa and it is suspected that such groups also had a hand in the Namibian abalone smuggling operations.³⁷

Trafficking in illegal immigrants

On 12 July 2001, *The Namibian* reported that Air Namibia had been fined about R1.5 million by the United Kingdom Home Office for carrying illegal immigrants into the UK.

According to the report,³⁸ on 7 July 2001, Air Namibia flew 20 persons of Afghan descent to Heathrow Airport. All of them reportedly had valid passports, but tore these up once on board the aircraft. Home Office officials imposed fines on Air Namibia of £2,000 per illegal immigrant.

The Afghani group consisted of 14 men, one woman and five children under the age of five; no other details were available.

The report further stated that this group of 20 was just the latest example of the transport of illegal immigrants by Air Namibia. Quoting a British High Com-

mission official, the report stated that Air Namibia had previously incurred fines when flying illegal immigrants from Angola, Algeria, Turkey and Pakistan into the UK. It appears that Air Namibia has flown a substantial number of illegal immigrants to the UK and that outstanding fines of £88,000 were still due to UK authorities. However, British officials were quoted as saying that there was no indication that Air Namibia had knowingly carried the illegal immigrants. According to the reports, a junior Air Namibia ground hostess was suspended in connection with the incident.

What this experience does indicate is that Namibia is being used to re-route illegal immigrants into Europe. They appear to arrive in Namibia after having passed through the east coast of Africa, and via Zimbabwe and South Africa. It is also possible that some of the illegal immigrants enter Namibia via Zambia. A new Islamic Foundation has recently been established in Katima Mulilo, one of the areas in Namibia with the weakest border controls, which borders Zambia, Angola, Botswana and Zimbabwe.

While it is not being suggested here that the Islamic Foundation is involved in the smuggling of illegal immigrants, members of the community that the foundation serves may well be in a position to facilitate the transfer of illegal immigrants from countries such as Afghanistan.

Corruption in the public and private sectors

Gaining political power was interpreted by many in SWAPO in a traditionalist fashion of 'winner takes all', with the President seen by many more as a national chief than as the head of a democratic state. However, this style of governing under President Sam Nujoma has been well received by the poor, rural majority, often without questioning. This benign autocracy, where other interests were subsumed to the need for party solidarity, has therefore come to characterise the post-independence period in Namibia. Calls for accountability by the independent media are seen as little more than impudence.

As a result, the ruling party often fails to distinguish between its own, narrow interests and the wider national interests. It has sought to create a nationalism after its own image, which is more akin to a patriarchal system of political patronage, where the need to foster an image of unity has priority over considerations of transparency and accountability.

SWAPO also has had to undergo a transition from a Marxist-orientated party that supported a command economy, to one committed to a free market sys-

tem. One of the consequences of this transition has been that among the new breed of Namibian capitalists there are those who have more in common with the rampant oligarchs of Russia than with the more acceptable notions of socially responsible capitalism.

Consequently, joining the ruling party has become an acceptable way to personal advancement. Becoming a politician is seen by many as the way to get rich quickly. The government has also failed to honour Article 142 of the Constitution, which forbids conflict between a Minister's private and public interests. The result has been that cases of suspected high-level corruption have been swept under the carpet in the name of political solidarity. Members of the political élite have strong links in the private sector and some businesspersons thrive through the influence that such links provide to them. An example is the Namibian food supply business.

State food supply contracts

The Namibian government annually spends about R40–50 million on various food supply contracts to service, among others, school hostels, prisons and annual drought relief programmes. Although these contracts are supposed to be given out on a competitive tender basis, the industry is dominated by two companies, which both have strong links to prominent members of the ruling political élite. Available information shows that there is a large degree of collusion between these two companies, namely Global Foods and Independence Caterers, who appear to share the business between them.

These two companies work closely in conjunction with a non-governmental organisation that operates more like a private company.

From the information that is available, it seems that the two principals of Independence Caterers and Global Foods essentially act as a cartel by ensuring that they do not make competing bids on the same contract. For example, the hostel food contracts are divided by region (of which there are 13 in Namibia) in order to encourage rural-based companies to also bid on these contracts. Global and Independence then find themselves willing partners in these regions to act as 'nameplates' for bids essentially compiled by themselves, for which the 'nameplate' company receives a commission of 10%.³⁹

To ensure that they do not bid against each other, each region is allocated to one of the two companies. While both may enter bids, prices are compared in

advance to ensure that the contract is awarded to the right one. Bids are literally rigged to ensure, for example, that Global gets the Kavango contracts, and Independence gets the Ohangwena contracts.⁴⁰ Although the bids appear competitive on paper, both companies refuse to allow the receiving parties (e.g. the hostel superintendent) to keep delivery notes against which to check their supplies against the original bids; both companies appear to short-change the system by then supplying inferior foodstuffs to what was asked for originally: for example, instead of supplying fresh fruit, dried fruit is supplied, or instead of meatballs in gravy, a soya-based product is supplied.⁴¹

The suppliers are paid by 'man-days' of food supplied to the hostels, which are then signed off by the accounting officer with the Ministry of Basic Education and Culture. However, one such accounting officer said that despite regulations stating that hostel inspectors should verify such accounts against deliveries, the Office of the Prime Minister has declined to fill these vacancies, which have now existed for the better part of ten years. As a result, this officer said he was forced to sign off such accounts of food supplied to hostels even before the hostels opened for the new school year.⁴²

This also extends to the very lucrative drought supply programme. For example, in 1997, Global and Independence convinced the responsible Ministry (Agriculture, Water and Rural Water Supply) that food contracts for drought relief had to be implemented via NGOs, who were then asked to enter competitive bids. The highly respected Rossing Foundation, which previously had handled all this for free, refused to participate. Instead, Global and Independence approached two smaller NGOs who were willing to bid on their behalf for a fee of 10%, with NDDA listed as the distributing agent.⁴³

This has been the pattern ever since, and despite several complaints laid with the Office of the Ombudswoman, no investigation has ever been conducted. (The writer was invited to one such meeting where several large local food supply companies aired these complaints.) The result was that several of the other companies eventually sold out to parties associated with either Global or Independence, and competitiveness in the industry has been dealt a severe blow—but as the taxpayer ultimately foots the bill, nothing has been done from government's side to sort out the situation.

This group is also believed to have lobbied the Namibian government to ban the importation of sifted maize into Namibia, despite the fact that Namibia could never produce enough maize to satisfy indigenous needs. Instead, im-

porters are forced to have their maize milled locally, and all the major players involved in the above syndicate appear to be involved in one way or another in the three mills in existence in Namibia.

This has impacted particularly on the operations of the World Food Programme (WFP), which is now forced to import maize in whole kernels. The WFP said it was told which millers to use.⁴⁴

The boards of both Independent Caterers and Global Foods list a number of high-ranking government officials and in the case of Global, the wife of a top minister appears to play a prominent role. When in 1998 Global Foods discovered that they had under-estimated their costs of distribution in the Kavango area, the Office of the Prime Minister immediately authorised an additional R5 million to be paid out to them.⁴⁵ The minister's wife owned a major part of the shares.⁴⁶

Independence Caterers has a former Permanent Secretary of Environment and Tourism, Dr Tangeni Erkana, on its board. He also owned shares in the company. He has since left the government to retire to his farm, for which he paid cash in excess of R1 million.⁴⁷ Other players are a former prosecutor who was dismissed for corruption, as well as companies in Rundu and other areas. Persons involved in these food distribution businesses have strong links to the Ministry of Agriculture as well as to the Office of the Prime Minister, whose office is in charge of drought aid.

Concluding comments

In an address to the nation on 2 May 2002, President Sam Nujoma focused on escalating crime and fraud in Namibia and expressed his determination to fight crime "tooth and nail". He referred to crimes which were on the increase and mentioned organised crime syndicates defrauding public and private enterprises, drug trafficking, motor vehicle theft, housebreaking and shoplifting. Referring to fraud, corruption and other economic crimes, President Nujoma said:

I am extremely disturbed by the economic sabotage, which is being committed at the Bank of Namibia, University of Namibia, Namibia Broadcasting Corporation, at other parastatals and also at some commercial banks. These economic crimes are committed by people in public institutions whom my Government has placed in positions of trust to facilitate the welfare of these corporations to deliver badly

needed services to maximize benefits to the Namibian people. Those officials found guilty of economic sabotage have betrayed the trust which was vested in them by the Namibian people and must be dealt with severely in accordance with our laws. It is only stern action which will stop this rot and deter others from stealing and abusing the limited resources that are available to us to help our people and uplift their living standards.⁴⁸

These are strong and encouraging words from the President. They came in the wake of recent serious cases of fraud, theft and robbery in various parts of the country, reported at institutions such as the NBC, SSC, Bank of Namibia, Ministry of Basic Education, Culture and Sports, and others. In many of these cases, cheques or cash were stolen. Some suspects were arrested.

If the sentiments and promises of action against organised crime and corruption are acted upon by the authorities, Namibia need not become yet another developing country that falls victim to sophisticated organised crime groups to the extent that sectors of government themselves become criminalised. Namibia does not appear to have reached that stage but the potential of it happening is certainly there.

What will require a special effort from the Namibian government is to properly regulate and become more transparent as far as the diamond trade is concerned. The country has an enormous wealth in diamonds and the criminal elements who smuggle them are in a position to pay vast sums to corrupt and bribe officials and others. The encouraging indicators of peace in neighbouring Angola will benefit Namibia as a whole, but as far as organised crime is concerned, a significant increase in such activities must be expected. The illicit diamond trade in particular is likely to flourish as illicitly mined diamonds from the rich Angolan diamond mining areas find their way to Namibia. Special efforts will be necessary to prevent Namibia from becoming a hub of the illegal diamond trade.

The alleged links of the Italian Mafia to the illicit diamond and drug trade should be of particular concern to the Namibian authorities. With its global experience and sophistication, very few individuals, including government ministers, are immune to the Italian Mafia's influence. Once they have penetrated top government echelons, reversing the process is not only extraordinarily difficult, but is also likely to go hand in hand with political and social turmoil and crises. Some developed countries, such as Italy, have experience of this. As long as known senior members of the Italian Mafia, who are linked to the

diamond or drug trade, are free to operate from Namibian soil, Namibians must assume that efforts will be made to corrupt and penetrate government and business structures at the highest levels.

Namibia is one of a small number of countries in the world that have ratified the UN Convention Against Transnational Organised Crime. Once the Convention becomes operative, Namibia will be entitled to utilise all the international assistance provisions contained in the Convention for the purpose of combating sophisticated transnational organised criminal groups. It should mobilise international support to do so to the full as developed countries have committed themselves to provide assistance. Namibia will be fully entitled to test such commitments. A new Bill, the Prevention of Organised Crime Bill, has been drafted and placed before parliament. It is largely modelled on the South African legislation, which attempted to incorporate the latest international best practises, including the criminalisation of laundering and the forfeiture of the proceeds of crime. Once this Bill becomes law, the legislative tools which Namibia has available to combat organised crime will have been significantly strengthened. The challenge then becomes its effective implementation. A prerequisite will be the allocation of adequate resources and the requisite political will to make it succeed.

The political will to combat organised crime is directly linked to the government's determination to fight corruption. In this regard it is disappointing that there has been a stalemate around the proposed anti-corruption legislation for almost four years. It was rejected by the National Council and now finds itself in a legal limbo at a time when the President has expressed alarm at the increase and extent of economic crime involving government departments.

Namibia has the capacity to keep organised crime and corruption in check. It seems to be at the point where decisive interventions by government on a policy, operational, and legislative level can ensure that it does not become a captive of organised crime. If the President's sentiments are acted upon, there is every reason to believe that Namibia can regain the initiative against organised crime and corruption and thereby increase the risk in Namibia for those who are thinking of engaging in those activities.

Notes

- 1 P Gastrow, *Organised crime in the SADC region*, ISS Monograph series, 60, Pretoria, Institute for Security Studies, 2001.
- 2 See the 'Knockity' case above: James Carroll dealt with various different individuals in this group at various stages and is of the opinion that they are more of a 'club' than a strictly organised group.
- 3 Telecom man nabbed for poaching, *The Namibian*, 9 October 2001, which reports that one Raymond Sezuni was caught with Zambian relatives poaching game along the Botswana border.
- 4 Still ongoing—there are at least 3,000 Special Field Force members stationed along this strip.
- 5 Interview with former Protected Resources detective, October 2002.
- 6 Interview with former Nampol Chief Inspector P Kandjimi, October 2001; various conversations with a person involved with motor vehicle theft during 2000.
- 7 *The Namibian*, June–December 1998, and interviews with Chief Inspector Kandjimi.
- 8 Ibid.
- 9 Ibid.
- 10 Pieter Myburgh was convicted and sentenced to nine years imprisonment for his part in the scheme. At the time, the author was working in an Okahandja-based transport business and has first-hand experience of the Levy-Myburgh operation.
- 11 Interview with former company secretary, April 2002.
- 12 Interviews with various police officers 1991–2001. The author is a full-time investigative journalist.
- 13 Videotape of Namibian Prime Minister Hage Geingob, visiting the CSO in London in June 1993, where he was shown top Angolan goods and told that those were the biggest threats to Namibia's own diamond production. De Beers admitted that it was buying up smuggled gems at a huge cost to protect diamond prices.
- 14 Affidavit by Pearson, which featured in a court case in the Windhoek Regional Court where Charles Courtney Clarke was convicted of attempting to blackmail De Beers.
- 15 Statement by Australian diamond dealer James Carroll. He was 'stung' by one such well-connected syndicate. According to him, this syndicate enjoyed protection from the highest level.

- 16 Various personal contacts by the author with such persons during period 1991–2001.
- 17 Interviews with former commanders of the Protected Resources Unit, Windhoek, Swakopmund.
- 18 The best known of these is the Nasser case, High Court, June 1998.
- 19 Telephonic interview with James Carroll, 27 September 2001.
- 20 Ibid.
- 21 Various discussions between Pieras and the author during 2001.
- 22 Various discussions between the author and the Angolan during 2001. He was a contact person for UNITA in Namibia.
- 23 According to a Uruguyan passport he obtained, Pallazollo now calls himself Von Palace-Kolbatschenko.
- 24 Government of the Republic of Namibia (GRN) Deeds Office. Vito Pallazollo in fact owns two farms here, controlled by the Von Palace-Kolbatschenko Trust, namely Omburo-Suid and Eausiro Nord and West. The Trust is held by Neuhaus and Keller Trust Company, Windhoek, and is controlled by lawyer Ernst Kubirske, a regular visitor to both farms. Another trustee is believed to be lawyer Ilse van der Westhuizen. Deeds are made out to the 'Trustees for the Time Being of the Von Palace-Kolbatschenko Trust'.
- 25 Interviews with various former employees, April 2002.
- 26 Money laundering and being a member of a Mafia-type organisation.
- 27 GRN Registrar of Companies—Namibian Consolidated Ostrich Corporation (Pty) Ltd, reg. 95/255.
- 28 *Sarah Ben-Tovim vs Yam Diamond Recovery and Namdeb Corporation*, High Court, December 15, 2000.
- 29 Yam Diamonds is not registered with either the Ministry of Trade and Industry or the Ministry of Mines and Energy, according to open source documents.
- 30 GRN Registrar of Companies.
- 31 Various discussions between the author and reliable sources linked to the Namibian National State Intelligence Agency, 2001.
- 32 Author's own reporting.
- 33 Court hears of Mafia links, huge drug deals, *The Namibian*, 1 June 2000.
- 34 Allegations by a former Druge Enforcement Unit detective; author's own reporting.

- 35 Shoot-out in local hotel, *The Namibian*, 20 October 2001; *Wilde skieterij in spot-hotel, Die Republikein*, 19 October 2001.
- 36 Mysterious millions found at Tsumeb dump, *The Windhoek Observer*, August 2001.
- 37 Interviews with the pilot involved, December 2001.
- 38 Britain fines Air Namibia N\$1.5 million for flying illegal aliens, *The Namibian*, 12 July 2001.
- 39 Ibid.
- 40 Interviews with the author's brother, who was approached by Global Foods with a view to 'fixing' a contract. The matter was reported to the Office of the Ombudswoman but as far as could be established no investigation was ever launched.
- 41 Interview by the author with persons who worked for with Independence Caterers and Global Foods, 1999.
- 42 Ibid.
- 43 Ibid.
- 44 WFP Programme Officer, Windhoek.
- 45 Interview with a former accounting officer in the Directorate: Emergency Management Unit (EMU), 2000. The EMU resorts under the Prime Minister's Office.
- 46 Interview with former EMU accounting officer.
- 47 GRN Deeds Office.
- 48 Namibian President Nujoma declares war on crime, fraud, *Bernamea Daily Malaysian News*, 10 May 2002.