

## **Without a Trace: On the Trail of the Elusive Brobon Finex**

### *A BLCC-USA Investigative Report*

An extensive investigation carried out the Bakweri Land Claims Committee (BLCC) into the identity of Brobon Finex since October 2002 seems to give credence to increasing evidence and allegations being made in Cameroon (even by the Government-owned *Cameroon Tribune*) that this South African “consortium”, which recently purchased the Tea estates of the Cameroon Development Corporation (CDC), may be a dummy Corporation set up by unscrupulous Cameroonian nationals (with the aid of South African accomplices) to defraud the Cameroonian people.

Shortly after the sale agreement was signed between the Government of Cameroon and Brobon Finex back in October 2002, the BLCC decided to contact the South African company to draw its attention to the fact that the sale agreement had failed to address the fundamental issue of indigenous land rights, particularly in Fako division, and that it was opening itself up to a potential lawsuit in South Africa where the issue of alienated ancestral land rights was a very sensitive issue.

### **A Needle in a Haystack**

Immediately, however, the BLCC ran into an unexpected roadblock: Brobon Finex was untraceable and there was no known contact or other information about the consortium, - not even from South African Trade missions, major Chambers of Commerce in South Africa or the South African Ministry of Trade and Industry!

Similarly, searches on the Internet, including leading South African business sites and portals, yielded no fruit. In the rare cases where there were entries for Brobon Finex they were invariably news items about the purchase of the CDC Tea Estates. Increasingly, it seemed as if Brobon Finex simply did not exist prior to the purchase of the CDC....

To make doubly sure that it was not missing anything, the BLCC then solicited the services of Dunn and Bradstreet (D&B) to either confirm or discount mounting suspicion that Brobon Finex was not for real. It should be mentioned that with branches in every continent and a database on

75 million companies worldwide, D&B is the world's leading provider of business information. D&B specializes, among other things, in authenticating and verifying the identity of companies worldwide.

Not only was there no information for Brobon Finex on the gigantic D&B database, the company could not be found on the South African Registry of companies.

Similarly, a search of the massive database of the France-based Transnational Corporations Observatory, which has a huge inventory of South African companies, yielded no specific information on Brobon Finex, although the company was added to the observatory's database in November 2002 - after the CDC purchase...

By this time, BLCC contacts were finally able to unearth some key information about Brobon Finex. The BLCC learned that the company was listed as operating from the town of Roggebaai in the Western Cape Province of South Africa.

Intrigued that this basic information about Brobon Finex could not be obtained through conventional means, the BLCC took its investigation one step further and contacted reliable sources in Western Cape and Roggebaai to find out more about this mysterious consortium.

Although logic would have dictated that a supposedly major "consortium" such as Brobon Finex would be fairly well known in business circles in Roggebaai, if not in the Western Cape province, this turned out not to be the case.

For starters, the BLCC contacted the "Cape Regional Chamber of Commerce & Industry". Described as "not only the principal voice of business in the area, but [also] a one-stop for a wide range of commercial and industrial services", it is the largest Chamber of Commerce in Western Cape with over 3500 members. The chamber of Commerce did not have Brobon Finex listed as a member; neither had the contact person ever heard of the firm.

The BLCC then turned its attention to the town of Roggebaai. First, it got in touch with the only Chamber of Commerce in town, which happens to be the French Chamber of Commerce. There too, it drew a blank. The BLCC representatives were then directed to the Roggebaai-based Business Opportunities Network (BON), another prominent Western Cape business institution established to facilitate business linkages between Small, Medium and Micro Enterprises and the

establishment business sector, including both the private and public sectors. Once again, the “consortium” was unheard of.

### **Which way Mr. Garvie?**

In the meantime, research on Derrick C. Garvie had revealed that although he was officially the Executive Chairman of the Roggebaai-based Brobon Finex, he was also the Managing Director of a firm of Architects - Afriarch International, located in the town of Inanda in the Kwazulu-Natal Province. For those unfamiliar with the Geography of South Africa, the Western Cape province, where Roggebaai is located, is on the Southwestern tip of South Africa, while Kwazulu-Natal is on the North East of the country.

Was it possible that Mr. Garvie was improbably commuting for hundreds of miles daily from Roggebaai to Inandi to manage both firms? Or was he simply a figurehead in one or both firms? Alternatively, was Brobon Finex simply a dummy corporation operating from a Post Office Box in Roggebaai?

It is instructive to note that while Mr. Garvie’s architectural firm is listed with a complete address (i.e., *63 3rd Avenue, Inanda 2196, P.O. Box 1681, Parklands 2121, South Africa*) Brobon Finex on the other hand is merely identified by a Post Office Box (i.e., *P.O. Box 7470, Roggebaai, 8012, South Africa*) Why would a major “consortium” such as Brobon Finex not have a more precise address? Was the Cameroon media right in claiming that the company was merely a front for Aladji Baba Hamadou Danpullo who is described by his own lieutenants in Cameroon as a “shareholder” and “Administrator” of Brobon Finex?

Whatever the case, there is increasing evidence to justify the allegations that Brobon Finex has spearheaded what, in the eyes of the BLCC, amounts to “fraud, money laundering and asset stripping”-- in short, the “Enronization” of the CDC.

### **Enronization of the CDC**

The term “enronization” has been used in many quarters with regards to the CDC Tea deal, and this is no mistake. From all indications, what we have here is a case of Cameroonian nationals setting up a dummy corporation in a foreign country with the aim of ultimately defrauding the Cameroonian state. This is a textbook case of money laundering whereby individuals form a

corporation in a country other than the one of which they are nationals (in this case, South Africa), and then place their illegal gains in the said Corporation (in this case Brobon Finex in South Africa). Then they form a legal corporation in their country of origin (the CTE in this case) as their business and borrow the money they need to get going from the foreign corporation they had previously set up. Not only do these individuals hide profits, avoid taxes and bury debt, they also hoodwink analysts and investors alike. This is exactly what Enron did by creating hundreds of offshore dummy corporations, with nearly 800 of them in the Cayman Islands alone. The same pattern that seems to be emerging in the case of the Brobon Finex-CTE deal.

### **The Challenge Brobon Finex**

In spite of the mounting evidence that Brobon Finex is a dummy corporation, the BLCC is willing to give Brobon Finex and its backers a fair hearing. Maybe Brobon is actually located in another part of South Africa, and that Roggebaai is just a drop-off location, which explains why the company is not known in the area; maybe Brobon-Finex goes under another name in South Africa, hence the blank stares in that country when the name is mentioned; maybe the corporation came into being just prior to the purchase of the CDC Tea estates, hence the absence of any credible company profile in South Africa and elsewhere; maybe, just maybe...

Let the Brobon Finex administrators disprove all of the mounting evidence against the consortium, and show that this is all a huge misunderstanding by doing the following:

1. Make public the Brobon Finex South African Registration number, along with the Province of registration;
2. Make public its full address and true location in SA;
3. Provide a detailed list of its administrators and their verifiable contact information;
4. Provide an exhaustive list of all the companies that make up the "consortium" - a consortium being a group of companies formed to undertake an enterprise...

We are not asking for any confidential or secret information here, since this is typically the kind of information that should have been part of the package submitted to the National Privatization Committee during the bidding process. And, since the National Privatization Committee has

been tight-lipped about the whole Brobon Finex saga, it is up to the South Africans to make public this information in order to restore whatever is left of their credibility with the Cameroonian people.

### **Role of the Cameroon Government**

The million-dollar question at this time is whether the Cameroon Government was an active participant in this ruse to despoil Cameroonians of their patrimony. Or, did the Government of Cameroon, in its desperation to meet impractical IMF and WB privatization deadlines and requirements, simply turn a blind eye to obvious holes and red flags in the Brobon Finex File?

### **The BLCC Position**

Whatever the answer may be, the BLCC position with regards to the Brobon Finex /Cameroon Tea Estates imbroglio is crystal clear; the agreement between the Government of Cameroon and Brobon Finex should be rescinded forthwith, and a new transparent privatization process, which adheres to the rule of law, takes into account the rights of all stakeholders in the privatization of the CDC, and places national interests at the forefront, be launched. Anything short of this will be totally unacceptable to both the BLCC and the Cameroonian people.

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## **An update on the sale of Tole Tea Estate to Brobon Finex Pty Ltd.**

On 18<sup>th</sup> October 2002, the Government of the Republic of Cameroon, represented by the Hon. Minister of Finance and Budget, entered into a Shareholders Agreement with Brobon Finex Pty Ltd, a company which claimed to have been incorporated in South Africa .

The Shareholders Agreement referred to above described Brobon Finex Pty Ltd as a company incorporated in the Republic of South Africa as *No. 2001/019870/07* with a capital of 20 (twenty) million South African Rands.

On the date of signature of this Agreement, there was no such company incorporated in the Republic of South Africa known as Brobon Finex Pty Ltd. That name is the trading name of a company incorporated on 23<sup>rd</sup> August 2001 in South Africa by the name **Afritea Investments (Pty) Ltd** (Afritea) with an authorised capital of 1,000 (one thousand) South African Rands, of which only 100 (one hundred) Rands had been issued. The company registration number attributed to Brobon Finex Pty Ltd is in fact the registration number of Afritea.

Even if Afritea, with a registered capital of 1,000 Rands of which only 100 Rands had been issued, decided to trade in the name of another incorporated body called Brobon Finex Pty Ltd, the latter company does not feature in the South African Register of Companies. The claim in the Shareholders Agreement that Brobon boasts a share capital of 20 million Rands would appear to be a fantasy. With issued capital of only 100 Rands, it is incomprehensible that the trading arm of Afritea could claim to be incorporated with a capital of 20 million Rands. At the date of signature of the Shareholders Agreement, one of the parties did not exist at law.

The BLCC still urges the Cameroon Government, for the sake of public honour, to rescind this so-called Agreement with Brobon Finex, pursuant to Clause 5(2), as Government was clearly misled, and to enter into meaningful dialogue with the Bakweri Land Claims Committee, so that the CDC privatisation process can continue smoothly. The present Government policy of precipitating, through administrative ineptitude, the washing of Cameroon's dirty linen in the eyes of the international community, cannot be commendable State policy, as this would inevitably hamper economic development and consequently the well-being of Cameroonians generally.