

# The South Coast Chamber of Commerce and Industry: **The South Coast Business Chamber.**



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**-THEFT OF GRANT FUNDS BY ETHEKWINI MUNICIPALITY-  
-INDICTMENT SHEET - AND THE STATEMENT REPORT-  
-IN THE MATTER BETWEEN ARK CHRISTIAN MINISTRIES-  
AND:**



**-THE ETHEKWINI MUNICIPALITY AND OFFICER BEARERS-**

I, Dr Peter Christopher Munns, a self-employed business person, am the Chairman of the Ark Christian Ministries Church - and was appointed to this position in June 2005 by the Trustees of this institution. I am also the President of the South Coast Business Chamber and Chairman of the Christian Coalition; a registered Non-Profit Company. To the best of my knowledge, the following information is all true and correct - and I have no objection to taking the prescribed Oath. This information can also be supported:

The Christian Outreach and Disciple School and the Ark Christian Ministries Church were established in 1983. At the request of the Durban City Council in 1987, the founder, Pastor Derich De Nysschen, was at this time mandated to establish a homeless shelter - at 15 Browns Road in the Point area of Durban. This was developed into a 900-bed transitional housing shelter providing a wide range of services to an increasing number of 'homeless people'. These services can also be seen in the attachment: **Help Build The Ark** – and is dated July 2005. During 1996, the Ethekewini Municipality entered into a joint venture partnership with the Malaysian investment companies of Rocpoint and Renong – for the purposes and objective of developing residential and commercial interests. The Durban Point Waterfront Company is the result of this 50/50 partnership agreement. The Ark Christian Ministries Church was requested by a delegation from KZN Provincial Housing and Durban City Council - to relocate to another 'suitable' site.

The Department of Housing had agreed to provide **R10 865 000** in grant funds; to assist with relocation – provided the Ark Christian Ministries Church was able to pass an accreditation process between 1999 and 2001. The Durban City Council had agreed to identify, secure and hand over a suitable site and also assist with that successful relocation of an accredited institution. The 'accreditation criterion' was that the church establishes a Section 21 Company to accommodate the grant funds and also the title deeds of the property to be secured. This company was registered as **The Durban Ark Concept** on the 28<sup>th</sup> of June 1999 and an accreditation process was completed in 2001. A new structure of this institution was:

- (A) **The Ark Christian Ministries Church** – **ACMC** - Religious Freedom – relying on tithes / offerings - and responsible accountability to congregation and also general public in the wider community.
- (B) **The Ark Social Concept** – **T.A.S.C** – with public and Receiver of Revenue accountability and also a reliance on all fundraising - for the general maintenance and administration of the institution.
- (C) **The Durban Ark Concept** – **T.D.A.C** – a Section 21 Company – that held the grant funds and also the title deeds of the future 'suitable site' – and a funding criteria requirement for KZN Housing.

On the 4<sup>th</sup> of May 2001, the Ethekewini Municipality took possession of all grant funds - without rights!

The Ethekwini Municipality took possession of the grant funds into their Metro Housing bank account; without authorisation or permission from the rightful owners of all grant funds. While the municipality had assured the Ark Christian Ministries Church in 2000 that there would be no disruption of services – or inconvenience – this pretext, pretence and promise was not fulfilled. More than 35 properties were shown to the City Council from 2001 until 2009 and they would not release these grant funds. They had chosen to evict and destroy the institution in 2004 claiming that the institution was in the way of all the immediate development – and they obtained an **Eviction Notice** on this basis. However the buildings at 15 Browns Road were still standing in 2015. They had taken all the grant funding under false pretences.

In November 2003, the Ark Christian Ministries Church had secured the Home of The Good Shepherd at Montclair - and it was the most suitable of all sites. The Purchase and Sale Agreement was finalised at a purchase price of R9 million – based on two valuations of more than R9 million and R20 million and it is recorded that the Ethekwini City Manager then disputed this based on City Estates Municipal Valuation of R6.3 million. They refused to release all the grant funds from May 2001, despite pleas, requests and demands from the MEC for KZN Housing in 2004. They retained all these ever since then and took their decision to evict and destroy the institution on the 26<sup>th</sup> of February 2004; rather than to relocate – and on the 17<sup>th</sup> of May 2004 900 residents and the institution were evicted from 15 Browns Road premises.

This 21 year-old 900-bed fully accredited transitional housing institution was destroyed by an Ethekwini management – and the grant funds have been retained - without authority, permission - or legal rights.

The persons responsible for this travesty of justice and that '*human rights abuse*' include the following:

- (A) Accused No 1 – The Office of the Mayor – **Obed Mlaba** – and all city mayors since 4<sup>th</sup> May 2001;
- (B) Accused No 2 – The Office of the Treasurer – **Krish Kumar** – still employed as the City Treasurer.
- (C) Accused No 3 – The Office of the City Manager – **Mike Sutcliffe** – and all managers - since he left.
- (D) Accused No 4 – The Office of the Deputy City Manager – **Derek Naidoo** – and all managers since
- (E) Accused No 5 – The Office HOD Metro Housing Department – **Cogie Pather** – and all managers.

There is no evidence to prove that these people assisted with the relocation process, but more proof is available that clearly demonstrates that they had every intention to evict and destroy the institution in a process that led to the unauthorised and illegal retention and possession of grant funds - that belong solely to The Ark Christian Ministries Church. These grant funds have accumulated interest since May 2001 and this is conservatively estimated at nearly R70 million. These public servants - and all those in these senior positions of public trust – had no right to retain or withhold these grant funds and the loss to the community of this institution is not only a travesty of justice and human rights abuse – but is an indictment on all those who have abused their positions of public trust and code of ethics in the most unethical manner. Their code of conduct is questionable and they did not act in a manner that was in the best interests of either the institution they were mandated to relocate - or those needy in the city.

Heads of departments are among other things, responsible for the efficient management and control of administration of their departments and the maintenance of discipline and the custodians of public property. These grant funds belong to the Ark Christian Ministries Church and do not form any part of these public funds and were earned as part of a two year accreditation process by a church and their transitional housing shelter. These funds were stolen by the Ethekwini Municipality and they have also been used for purposes that were other than which they were initially granted and that was to relocate the institution in its entirety. We rely on the Justice Department and National Prosecuting Authority to see that justice is seen to prevail and that it is no longer delayed in this matter between the Ethekwini Municipality and The Ark Christian Ministries Church. The statement is supported in the attachments.