

PEER Servants

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**Todd G. Engelsen**

President

November 12, 2010

Mr. Sam Sole
Mail & Guardian
P.O. Box 91667
Auckland Park 2006
Republic of South Africa

RE: R100,000 Gift from Robert Gumede to Aloga Financial Services

Dear Mr. Sole:

Earlier this week I returned from a two-week trip to India and Sri Lanka focused on empowering the materially poor of these countries through microfinance. I have since then listened to your voice mail messages of November 1, 2010 and November 3, 2010. I want to apologize to you for not being able to return your phone call. Having also since read your articles in the November 5 to 11 2010 issue of Mail & Guardian pertaining to the topic for which you contacted me, I even more deeply regret not being able to contact you. I do not think a responsible journalist like I presume you to be would have written all that you did if he or she had sufficient information. I am replying to you in writing just to help you set the record straight on some of the issues you raised in your articles.

PEER Servants (formerly Christian Technical Support – we changed our name at the end of 2004 to more effectively depict who we are as an organization) is a faith-based provider of technical services and funding to indigenous, Christian microfinance institutions. We currently partner with nine such institutions, including our South African microfinance partner, Aloga Financial Services. We are not, as one of your articles suggests, a “parent body”. Regardless of your source for that conclusion, it goes very much against our philosophy of partnering together as peers.

Together with Aloga Financial Services, we sponsored Kopano – our first ever gathering of all of our microfinance partners in one place at the same time – in August 2004. As you no doubt know, “Kopano” means “unity” in more than one South African language. We intentionally chose South Africa as the country to host this important event for a number of reasons – primary of which was our desire to have representatives from around the world come and see how beautiful South Africa and her people are. Aloga’s willingness and ability to host such an event was also a key factor. Kopano was a splendid event, and many of our microfinance partners recall it very fondly to this day.

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PEER Servants and our microfinance partners are very committed to serving and empowering the materially poor, so by most conference standards, Kopano was modest. Each microfinance partner brought small gifts (valued at \$1US to \$2US per item) as a way of giving something from their country to each Kopano delegate. One of the Aloga clients even made a special Kopano conference cloth bag to hold the conference brochures and such. Aloga, as the host partner, extended true South African hospitality that I think would make you and the people of South Africa very proud. Included within what they provided were beautiful Kopano-branded polo shirts, fleece jackets, caps, leather bags, and possibly more (I have listed that with which my memory serves me after six very full years!).

I remember being told by the Aloga board members that much of what they provided as hosts was the result of a generous gift from a successful South African businessman, and I understand that to be Robert Gumede, the man of which you have written in your articles. In one of your articles, you state “Some doubt has been cast on the claimed cost of the supply of ‘T-shirts, fleece jackets bags, and stationery’”. I trust my letter will remove any such doubt. Certainly you realize that, while there were approximately 100 delegates at the conference, a person ordering such conference items as these does not have the benefit of hindsight when the items are being ordered. You do not want to have too few items, so you order more than the projected number of delegates. In addition, there are always more people one wants to give such gifts to for a conference like this than just the official delegates. I do not know exactly how many of each item was ordered, but I would expect that it significantly exceeded the 100 delegates. I do recall there being more items than delegates and that some delegates were even able to take more than one item. For delegates, many of them making their first international trip and materially poor by South African or United States standards, having an extra polo shirt or leather bag to bring home to a family member or microfinance colleague was very meaningful to them.

I am pleased you were able to contact my good friend, Paul Borthwick. Congratulations – he is usually more difficult to reach than I am! Paul did indeed speak at Kopano and his general depiction of the conference as “very modest” is accurate. The cloth bag to which Paul refers is not the bag provided through the funding of Robert Gumede – it is that made by the client of Aloga Financial Services. I don’t recall the exact price of that cloth bag, but I do think we got a good price relative to the R80 to R100 range of your industry insider! Perhaps the reason Paul did not reference the other items which Robert Gumede did very generously provide is because Paul speaks at a number of conferences and one in his shoes tends to forget specific conference items after six years.

While I do not know Robert Gumede, I do know Thapelo and Nomzamo Petje. I have known Thapelo for over 20 years since a life-changing three-week visit to Mamelodi in 1988. You know what Mamelodi and South Africa were like in 1988, and so you can perhaps appreciate the strong favorable impression Thapelo made on this 20-something

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white guy from America. I was very impressed with his and many of the black South Africans ability to love in those times. They helped me then to better see what it meant to follow Jesus and to forgive.

Since those days of walking the townships together, Thapelo has been successful in his professional pursuits, but he never forgot from whence he came. As he heard about the efforts of what is now PEER Servants to partner with indigenous Christian microfinance institutions to empower the materially poor, he decided, at great personal commitment and sacrifice, to help establish Aloga Financial Services. Aloga has since made it possible for hundreds of the materially poor in South Africa to have access to opportunity. PEER Servants volunteers have made many visits to South Africa to work together with Aloga over the years. Thapelo and Nomzamo have always been very hospitable to us. Even before Kopano, they provided polo shirts and other ways of showing, at significant personal cost, their appreciation to us for coming. They are some of the most generous, caring South African people I know.

In your article, you raise the question of whether Thapelo Petje accepted this R100,000 from Robert Gumede as a bribe. While, from my read of your article, you raised the question with next to no basis for doing so, I trust with this information I have provided that you will remove such an accusation. You have defamed the character of Thapelo and Nomzamo Petje in so doing. At the very least, you need a retraction of your article's contents as it relates to them. Beyond that professional responsibility, may I humbly suggest that I think you need to apologize. I know that Thapelo and Nomzamo know how to forgive.

I have prepared this written response not only for you and your editor, but am copying the other key figures you reference in your article – namely Thapelo and Nomzamo Petje and Moses Mphaga and, through them, Robert Gumede. I have done this so that all of you will have complete information from me on this matter. My hope and prayer is that, with complete information, you will all come to a bit more “Kopano”.

I started this letter with reference to my recent South Asian visit and that is how I will end it. Upon arrival in Sri Lanka, I was pleased to see Vimal, a branch manager in the Sri Lankan microfinance organization and Kopano attendee. Vimal is an amazing young man whom God has used to encourage me and many other Americans in what it means to follow Jesus despite difficult circumstances. Given the civil war in Sri Lanka, it had been four years since I had seen Vimal, and we were both excited to see each other. What did Vimal choose to wear when we met? The Kopano polo shirt that Robert Gumede generously funded. Vimal knew that his wearing that shirt, in all likelihood the best shirt in his small wardrobe, would communicate a message to me of how much Vimal appreciates the investment I and PEER Servants have made in his life. He had no idea, nor will I ever tell him, of how the provision of that shirt is now causing such an

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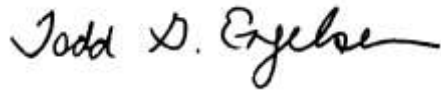
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unnecessary ruckus in South Africa. Let's put this issue behind us and move on to focusing on news and issues that can align if not unite us in empowering the materially poor of South Africa and beyond.

Let me restate my apologies for not being able to get you this information in a timelier manner.

Blessings to you,

A handwritten signature in black ink that reads "Todd G. Engelsen". The signature is written in a cursive style with a long, sweeping underline.

Todd G. Engelsen

President

PEER Servants

cc: Nicholas Dawes, Thapelo and Nomzamo Petje, Moses Mphaga, Robert Gumede