

Liar, liar, pants on fire



Have you ever heard of Abrie Krueger? Neither had I, until one day last week when I decided to google “world’s biggest liar”.

I wondered what the search might yield. Would it be something about Pinocchio and his growing nose? Former US president Donald Trump and a stolen election? SA politicians appearing before the Zondo commission?

None of these came up. Instead, I was directed to the Wikipedia page about an annual event in Cumbria, England, where participants from around the world have five minutes to tell the biggest and most convincing lie. In 2003, SA-born Krueger triumphed with a story about how he had been crowned king of the nearby Wasdale valley. He was the first foreigner to win the competition.

My internet search was prompted by three stories that had broken in the same 24-hour period.

First, there was top-ranked tennis player Novak Djokovic, who blamed his agent for a mistake on his landing form at Melbourne a week before the Australian Open. Djokovic also admitted to granting a magazine interview after testing positive for Covid a month earlier because he “didn’t want to let the journalist down”. Few people believed him.

Then, Liverpool manager Jürgen Klopp suggested that the club saw as many as 13 false positive Covid test results in one day, leading to their League Cup match against Arsenal being postponed. I cannot prove that this is a lie, but the odds of it being true are about the same as scoring a hole in one at Fancourt and catching a marlin off the coast of Bazaruto Island on the same day.

And finally, there was UK Prime Minister Boris Johnson. He had to do an embarrassing U-turn and apologise to parliament after being found out for attending an illegal party in his own back garden during the strictest period of lockdown in 2020, having previously insisted that no such party had taken place. Johnson is of course in pretty good company, as very few career



politicians end up with a reputation for honesty and integrity ... to this day, some people still refer to one of his predecessors as Tony Bliar.

I ended up running a Twitter poll, asking my followers which of Krueger, Djokovic, Klopp or Johnson was the biggest liar. More about that later.

What do all these people have in common (except for Krueger, about whom I don’t know much)? They are well-known personalities and high achievers. They have millions of fans and are hugely influential. And yet here we are, discussing their somewhat negotiable relationship with the truth.

Is it simply a question of believing that “rules are for other people” – a criticism that has often been levelled at Johnson specifically?

There are parallels in the business world as well. Some of the most successful captains of industry have turned out to be charlatans.

Take the case of Elizabeth Holmes, who started the so-called health technology business Theranos as a 19-year-old and raised more than \$700m from venture capitalists and private investors in the decade that followed, all based on claims about the company’s products which subsequently proved to be totally fictional.

How does this happen? It’s probably trite to state that the biggest con artists in the world end up being exactly that, simply because they appear to be so utterly believable.

I always think about this when I hear

investment professionals emphasising “quality of management” and the importance of meeting company executives when evaluating stocks. How many young, impressionable analysts were taken in over the years by that famous businessman now residing in Hermanus, for example?

Management quality does of course matter. But I believe the best way of judging that is by viewing a track record of delivery in a dispassionate manner, not by weighing the charisma that comes across in a face-to-face interview. You need little more than access to a Bloomberg terminal and a spreadsheet for that; you certainly don’t need to fly halfway around the world.

Meeting management may in fact have negative value, as some company executives may feel compelled to embellish their answers when dealing with analysts. This may sound overly cynical, and I accept that most managers are honest individuals. But it’s not easy to identify the bad apples until it’s too late.

Back to my Twitter poll: a total of 109 people responded. Johnson stood out as the clear winner, with nearly 70% of the votes – an impressive lead. Djokovic finished in second place. Krueger finished last. No wonder that Westminster MPs are banned from the World’s Biggest Liar competition that Krueger once won, as they are deemed to be professionals in an amateur arena. ✘

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