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Zondo commission – Regiments, Trillian instrumental in treasury capture

A former senior executive of Regiments and later Trillian Capital has told the commission of inquiry into state capture that the companies were involved in the capture of National Treasury, and senior employees were privy to plans to remove two finance ministers from government. Mosilo Mothepu placed her boss Eric Wood, who was CEO of Regiments, and later director of Trillian, at the centre of dubious incidents that involved the removal of Nhlanhla Nene and Pravin Gordhan in 2015 and 2017 respectively.

It was not until Gupta associates Salim Essa and Kuben Moodley became involved in Regiments that the company started making money off major government contracts, and this is when Mothepu noticed a growing interest from senior government officials, including ministers and board members of state-owned entities (SOEs). Many would come to the Regiments office, despite being the client, said Mothepu, which implied that they followed instructions from Regiments, and not the other way round, as is the norm.

Mothepu had previously worked for Regiments, but left for the public sector, only to be called back by Wood in May 2015 to a larger, better run Regiments. She was impressed by its growth and its emphasis on black empowerment, having grown from 50 employees when she left, to 250 when she returned in just a few years.

She first learned of Nene's impending dismissal on 26 October, two months before it happened in December 2015, during a meeting with Wood, while the two were both still at Regiments. Wood was briefing her on a task that he wanted her to undertake to prepare project proposals for the incoming minister, whose name he did not share at the time, except to say he was more "pliable." He also told Mothepu that he was not very good at administration, so the list of 12 project initiatives to be sent to him would have to be well explained.

"I didn't understand the significance of what he was telling me. I was actually quite bored, because our previous president had been doing various reshuffles, and I didn't understand why I was being told about this one minister getting fired."

In the past, Mothepu said, Regiments had struggled to get SOE boards to buy into a concept that featured in the planned proposals, namely hybrid capital. "Hybrid capital is when you raise an instrument that has the characteristics of both equity and debt, so that the rating agencies will allocate a little bit of that instrument to equity and debt," she explained.

"Eskom and Transnet had very high debt service ratios, so if they issued a hybrid capital, some of that debt would be an equity. It will not detriment their debt service ratio, and then they will not get a credit downgrade."

A few weeks after the meeting with Wood, colleague Teboho Leballo told Mothepu that Mohamed Bobat, another Regiments executive, was to be re-deployed to the role of special advisor to the incoming minister. “By that time Regiments directors had decided to split. Eric and Salim Essa wanted to buy Regiments Advisory. Eric had picked a team that he wanted to take to Trillian, so he was supposed to acquire Regiments and then form Trillian.”

Nene was dismissed by former president Jacob Zuma on 9 December 2015, and replaced by Des van Rooyen. Mothepu said this development shocked her, as it occurred just as she had been told. The next day, she confronted Wood, who confirmed that Bobat was indeed with Treasury now, and that he was expected to provide soon-to-be-established Trillian with insider information on how the initiatives would be carried out from within government. He was also to alert the company on technical and pricing specifications for the major tenders that arise out of the projects. “That was the purpose of his appointment. He was supposed to be there for two years and then come back to Trillian,” said Mothepu.

When Van Rooyen was removed days after his swearing in on 11 December, due to market pressure, Bobat moved with him to his new portfolio, Cogta. Mothepu said despite this development, Trillian was still expected to get the same service from Bobat. However, although he was to stay on in government, Bobat did not resign from Regiments, which they were still part of at this time, and continued to receive a salary from the company for three months. It was only in February, when Wood’s partners found out about the irregularity, that Bobat was forced to sign a backdated resignation letter.

By that time, in early 2016, Mothepu’s relationship with Wood had deteriorated to the point that he did not share any information with her, despite the fact that they were on the verge of establishing Trillian.

In March she learned that Gordhan – who had been brought back urgently into the finance ministry when Van Rooyen was moved to Cogta – was himself now under threat of removal. Mothepu had been sitting with Leballo when he shared the news that Zuma planned to remove the finance minister.

Leballo had to be discreet as they were sitting in an open plan office, and when Mothepu could not make out what he was whispering, he scribbled on her notepad the words “removing finance minister.” From this, Mothepu inferred that Wood was now sharing information with Leballo as he used to do with her before their relationship soured.

She stayed on after the formation of Trillian, but resigned in June of that year, and reported the information she knew of to then public protector Thuli Madonsela. Mothepu also met with an advisor to Gordhan in September 2016, to tell him of the potential threat to Gordhan’s post. Gordhan was removed in March 2017 and replaced by Malusi Gigaba.

In completing her testimony, Mothepu made a plea to commission chairperson Deputy Chief Justice Raymond Zondo to consider including in his recommendations a tightening of whistle-blower protection legislation.

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