



**11 December 2020**

**Zondo commission – Magashule business partner was on Zwane’s contractor list**

Former mineral resources minister Mosebeni Zwane has denied knowledge of a business link between ANC secretary-general Ace Magashule and a contractor who allegedly benefited, through his influence, from a housing project allocation in 2010 overseen by his department when he was MEC in the Free State.

Rob’s Construction was included on a list of 106 contractors that Zwane allegedly imposed on the housing department, directing its head Mpho Mokoena to record the contractors on the department’s database. The company, owned by recently deceased Blackie Seoe, was allocated one of the projects in the R1-billion low-cost housing venture that has been investigated by the commission. Zwane appeared before the commission of inquiry into state capture on Friday.

Zwane was MEC of housing at the time when his department received the funding from national government, at the beginning of 2010, to build houses across the province. Due to delays in the procurement process, the department found itself running behind schedule and under threat of losing the funding. By October of that year, no houses had been built, and an initial procurement process to source contractors had been abandoned late in the process, leading to the shortlisted bidders taking the department to court.

According to the September testimony of then head of department Mpho Mokoena, Zwane imposed a list of contractors at a later stage in the year, without explanation, and ordered that these companies be placed on the allocation list. In October, the MEC led a meeting with executives of the department, at which, Mokoena claimed, he proposed that the department invoke an advance payment scheme to expedite the process of securing materials for the contractors. Mokoena told the commission that despite resistance from him, Zwane pushed for the scheme to go ahead, instructing a deputy director-general present in the meeting to do a feasibility study on the process. Zwane has refuted the allegation, telling the commission that Mokoena had a duty as an accounting officer to undertake due diligence processes on projects.

“To be fair with this commission, I had not committed any wrongdoing knowingly. As the MEC then, I had not rejected any proposal that was brought to me by my team. Even when we were at the meeting where issues were raised, I gave them a chance to go and research and make sure that we have a sound document that we can work.”

Even after the study was done, said Mokoena, he argued to Zwane that it did not address his biggest concern, the legality of the scheme. Despite this, Zwane ordered that the department go ahead with the process, on the basis that a significant number of the contractors were not established, and would benefit from the department assuming the role of procuring building materials on their behalf. The result of this was that tripartite contracts were signed where contractors ceded the responsibility of purchasing their own materials, and suppliers had to commit to delivering to the department.

Rob's Investment Holdings, which also belonged to Seoe, has been found to be linked to Magashule, who was the Free State premier at the time, said evidence leader Paul Pretorius. The company, along with Rob's Bricks and Rob's Construction, belonged to Seoe, whom Zwane admitted to knowing, but only as a sports enthusiast. "I know him as somebody who was very close to sports, especially boxing," he said when Pretorius asked if he knew him.

The commission's investigators had interviewed Seoe, said Pretorius, and from a transcript of the interview it was gathered that he conceded to having been a co-director of Sambal Investments along with Magashule. The investigators sought the information through the Companies and Intellectual Property Commission.

Pretorius wanted Zwane to confirm if Rob's Construction was indeed among the contractors who were allocated projects in 2010. "I wouldn't have a problem with any contractor on that list being on the list, because I would have assumed that they went through processes to be there," said Zwane. But this raised questions, said Pretorius, because on Mokoena's evidence, the list of 106 contractors was arrived at without a formal tender process being undertaken.

"We know too...that payment was made from Rob's Investment Holdings to Miss [Morwadi] Cholota in the premier's office, and that receipt was acknowledged by Miss Cholota," Pretorius added. Cholota was Magashule's personal assistant while he was premier, and she testified in December last year in relation to payments that the commission believes were proceeds of the asbestos project in the same province.

"I only saw the transcripts in these documents, but prior to that I did not know," Zwane said of the Seoe-Magashule link.

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