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Zondo commission – Essa bragged to Transnet contractor about influence in SOEs

The commission of inquiry into state capture heard on Tuesday that Gupta associate Salim Essa appeared to know back in 2014 that then Transnet GCEO Brian Molefe would move to Eskom a few months later.

Henk Bester, the former managing director of rail for Hatch, a company that was then contracted to Transnet for a multi-billion-rand project to help boost rail infrastructure for increased manganese export, told the commission of a series of events that concerned his bosses about the way Transnet did business. Essa appeared boastful at a meeting between the two men in late 2014, talking about the influence he had in state-owned companies.

While Hatch managed the smaller first phase of the multi-phased project, in 2013 it also put in a bid for the larger second phase tender, which would include a supplier development component. In July of that year, Bester was approached by businessmen Dave Reddy and Nailan Padayachee, of Development and Engineering Consultants (DEC) and PM Africa respectively, who wanted in on the supplier development share of Hatch's bid for phase two on a joint venture basis.

When Hatch received a proposal from the joint venture later, it did not sit well with the company's leadership, as it was vague, focusing only on the shareholding component of the arrangement, and not the technical expertise of the two companies. But the two were persistent, even telling him in the meeting that their decision to approach him had the blessing of "Number One", without clarifying who this was. Bester assumed this could be former president Jacob Zuma, as the term had circulated in recent media articles as referring to him.

Hatch declined the proposal, but would later include DEC in its bid for phase two, under circumstances that evidence leader Lee Segeels-Ncube probed with Bester. He conceded that their about-turn was based solely on the work that the company was able to do in the second phase, considering that Hatch was only awarded one area of the multi-faceted project.

On the basis of Reddy's boastful remarks at the 2013 meeting that he had direct access to the top structure of Transnet, Bester asked him in early 2014 to facilitate a meeting with then Transnet CFO Anoj Singh, who to that point had not responded to meeting requests from Hatch. This was for an unrelated project for which Hatch had unpaid invoices with Transnet.

It worked, and Singh invited Bester and two other Hatch officials to Melrose Arch. But the meeting was soon taken over by Essa, whose presence was never explained by Singh, much to the irritation of the Hatch delegation. "It was very strange. He was wearing old jeans and looked like he was sleeping in the streets somewhere. I was not impressed," said Bester of Essa.

As for Singh, he said, he was subdued and allowed Essa to speak. It was as if "he was on a leash." Bester and his colleagues left the meeting frustrated and without getting to a resolution with Singh

over the payments. But months later Reddy contacted Bester and invited him to another meeting with Essa, which he went to after having discussed it with colleagues. This too happened in Melrose Arch, at JB's Corner, a restaurant where everybody seemed to know Essa and he was treated like a celebrity, said Bester.

At this meeting Essa offered R80-million if Hatch would include one of his companies in their second phase bid. Hatch, said Essa, would be guaranteed the award, as he had a lot of influence within Transnet, Eskom and other state-owned companies. "He told me I must include the company for R80-million." When Bester expressed shock at the proposition, Essa simply laughed. "He said he will decide where the project goes and I know nothing."

It was at this point that Essa told Bester that he knew Molefe would soon be moved to Eskom. Molefe was seconded to Eskom in April 2015, after the suspension of Tshediso Matona.

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