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Zondo commission – Bain paid for parties for Zuma, ANCYL, Zondo hears

The state capture commission has heard how Bain & Company South Africa paid a local company, run by creative artists, millions annually to connect the advisory company with influential politicians and leaders of state owned entities.

Ambro Bright held a contract with Bain from November 2013, which would be renewed every six months, until June 2016, according to Bain's former senior partner Athol Williams, who started testifying on Tuesday.

The creative company had two directors, prominent television producer Duma kaNdlovu and a man known as Mandla kaNozulu, who promised to use their proximity and influence to introduce Bain to key stakeholders in government, including former president Jacob Zuma and heads of state-owned entities (SOEs), despite having no experience in SOE management itself. They also promised to advise on procurement processes in SOEs.

It was through Ambro Bright that Bain's managing partner in South Africa, Vittorio Massone, met Zuma, according to Williams. He would later make entries in his diary as meetings with "ubaba", in reference to Zuma.

Bain was scrutinised by the Nugent Commission that looked into tax administration and governance at Sars under its former commissioner Tom Moyane. Although Massone appeared before Judge Robert Nugent, it was only briefly as he abandoned his testimony mid-way, said evidence leader Advocate Alistair Franklin.

Williams told the commission on Tuesday that by the time the contract between Bain and Ambro started, the company had already done some work for Bain, and had been paid, raising concerns across the firm. Evidence of this pre-contract work was a party organised earlier in 2013 on behalf of the ANC Youth League by kaNozulu, and paid for by Bain. The invoice from Ambro Bright was directed at Massone, who in an e-mail that was read into the record expressed disappointment that he could not attend or be able to meet the league's newly appointed leader. The leader's name was not mentioned. Another party was alleged to have been organised under the same circumstances for Zuma.

Following numerous payments from Bain SA to Ambro Bright, concerns were raised by senior management of Bain globally, who wanted to know if the company and its directors had been vetted by Massone. Bain was paying Ambro Bright R3.6-million per annum, making it Bain's second highest paid service provider globally, while it did not even have a compliant tax certificate.

The bill for the youth league party was R50 000, which Bain could afford, but the concerns raised by Massone's seniors were that it was not for work done, but for a private function of a political party.

Williams said questions were raised over Massone's eagerness to do business in the political sphere.

"Bain provides advisory services to clients. Clients pay Bain for those services, and Bain's expenses are normally [related to] staff and the normal running of the business ... I can't see what circumstance in Bain's normal business would require them to pay for a party for the youth league, if indeed this was a youth league party ... it's a payment to a political party," Williams said.

But he believes that even though it was Massone who would later be characterised as rogue by the company once evidence of its impropriety with Ambro Bright and other dealings in South Africa surfaced, he could not have conducted any of the dodgy business without the blessing of his seniors.

"The fact that it [the contract] did go ahead means there was some debate somewhere, where some person more senior than the head of marketing global and the head of legal global overrode those concerns."

Williams continues to testify.

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Bain & Company