



**24 March 2021**

### **Zondo commission – Bain’s dirty laundry out before Zondo**

Former Bain & Company South Africa consultant Athol Williams completed his testimony before the state capture commission on Wednesday with a plea for its chairperson Deputy Chief Justice Raymond Zondo to help recommend better security for whistle-blowers in the country.

Those who speak out against corruption and state capture find themselves sidelined, even by potential employers, for their brave action. He was employed by the University of Cape Town as a lecturer, but lost his job when his priorities were questioned during his preparation of evidence for the commission. Williams told the commission at the start of his testimony on Tuesday that he holds five Masters degrees in a number of fields, and is working on a doctorate. He received backlash from Bain for blowing the whistle on the allegations of corruption that came out at the Nugent Commission on operations of Sars, despite Bain asking Williams to probe further than the commission had gone, to help the company turn over a new leaf.

But it became clear that although he was mandated to carry out the in-depth probe, decision-makers within the company withheld crucial information from him, disabling his efforts to compile a report for Judge Robert Nugent.

In his evidence, Williams alleged gross corruption on the part of Bain, which sought to infiltrate the public sector in South Africa from around 2012 without following proper procurement processes, to provide advisory services for state-owned entities (SOEs). Bain’s modus operandi was to identify areas of government that were looking to restructure or appoint new leadership, and then present pitches for their entry into the company, which it termed “CEO coaching”, with the expectation that once in, the leader will appoint Bain as its advisory service provider of choice. The leaders also had to present their strategies to former president Jacob Zuma, at times without any indication of the presence of cabinet ministers for their field of work.

According to Williams, Bain’s former head in South Africa, Vittorio Massone, employed the coaching tactic in an effort to secure contracts at Telkom and later, Sars. Telkom CEO Siphon Maseko, he said, was coached by Bain for some time before he was appointed in April 2013. “Bain and Maseko had been to meetings with President Zuma and so there was an allegation that there was some impropriety there,” said Williams.

Williams also placed Telkom’s former chairperson Jabu Mabuza at these meetings, through information he found during his investigation.

The same process happened with former Sars commissioner Tom Moyane prior to his appointment in September 2014.

“In fairness to Bain, as a management consultant, when a company has a new CEO, it’s an opportune time to go speak to him or her ... so that is normal. But this idea of seeking out

information about state-owned entities that are going to make leadership changes, for me that was unusual," Williams said.

Williams, however, was concerned by the number of meetings allegedly held with Zuma at his home. "It is highly unusual for a management consultant to be meeting with the president of any country. It's just not the work that management consultants do. There'll be no obvious gain for the company to meet with the president."

To get closer to these government leaders, Bain used the services of a company called Ambro Bright, which promised access to politicians including Zuma. It is owned by prominent television producer Duma kaNdlovu and a man known as Mandla kaNozulu. The contract Bain held with Ambro Bright drew criticism from senior staff of Bain globally, said Williams. They questioned the need to appoint a company to gain access to political and government leaders, citing that it created a bad impression for Bain. But Massone must have taken the concerns higher up within Bain, because the concerns were overridden and the contract was signed in November 2013.

In its own affidavit before the commission, which evidence leader Advocate Alistair Franklin read into the record, Bain claimed the meetings were for marketing purposes, to exhibit their capabilities.

"For me it's absurd. It's an absurd statement. Again, why you'd want to be marketing your services to the president of the country makes no sense. Then taking 12 to 17 meetings to do that," said Williams.

A more sophisticated concept, called Project Phoenix, aimed to combine the capacities of six SOEs, including Telkom, the State Information Technology Agency, the South African Post Office, the SABC and signal provider Sentech to create an information and communications technology hub within government. It appears to have never materialised, but meetings with leaders of each company were held with Zuma from 2012 to 2013, as far as records in Williams's possession show.

Not limiting itself to only government work, Bain is also alleged to have assisted the ANC in putting together its election manifesto ahead of the 2014 national elections. "It's again a departure from what we would expect Bain normally to be doing ... clearly Bain is working with the ANC, a political party, to further their objectives."

Again using Ambro Bright, Bain planned for Moyane's first 100 days in Sars through elaborate preparation that started in October 2013, almost a year before he came into office. As early as 22 May 2014, Ambro Bright had information in its possession that was meant to help prepare Moyane for Sars. In a document shared by Ndlovu on the day, Bain is advised on areas of Sars that require restructuring, which officials should be contained and which should be "neutralised". Moyane, for instance, would have to get a new personal assistant.

Williams again noted that it was unusual to conceptualise the entry of an executive in government before their appointment is even finalised. "You typically present this to an executive when you know he or she has got the job, or why else would you present a 100 days plan for somebody who hasn't got a new job?"

From his investigation, Williams gathered that for such information to be available at that level of detail, there would have to be a mole from within Sars who was providing it. His suspicion was that Jonas Makwakwa, who later became the COO of Sars after Moyane joined, was the mole.

Moyane noted Williams's implication of him, and in his affidavit called him a disgruntled former employee who lost out on opportunities. He also denied that he discussed his appointment with Bain prior to taking office, saying he was advised by Zuma early in 2014 that he was his desired candidate for the Sars post, but would have to wait beyond the May 2014 elections for his appointment to be confirmed.

Bain on the other hand, sought at the beginning of Williams's testimony to get permission from Zondo to allow the company to release its affidavit into the public domain. Zondo declined the request on Wednesday, saying that there was nothing stopping Bain to appoint a representative to give oral evidence on its behalf. "It will be clear from the letter on which Bain's request is made that there is nothing special Bain relies on to ask for permission," Zondo said.

In its affidavit, Bain said Williams was only trying to tarnish its image. Williams on the other hand, told the commission that Bain was disingenuous in its handling of its own investigation. While the company initially claimed it wanted to reveal all corrupt conduct associated with it, it reneged on this commitment, and instead positioned Massone as a lone rogue about whose conduct it knew nothing.

**Useful links:**

[Zondo Commission website](#)

Corruption Watch's [Zondo Commission update page](#)

[Bain & Company](#)