



**27 November 2020**

### **Zondo commission – Makhubo rejects idea that he influenced tenders at CoJ**

Current Johannesburg mayor Geoff Makhubo got his turn to answer questions at the state capture commission after he was alleged to have influenced contracts from the City of Johannesburg (CoJ) in favour of the Gupta-linked Regiments Capital. Regiments would pay huge amounts of money to Makhubo's Molelwane Consulting after receiving a tender; the money would also end up in Makhubo's personal bank account.

The commission presented records that reflect that Molelwane received over R35-million from Regiments from 2008 to 2016. Makhubo's company would then make payments to his personal account and to the ANC. In one instance, Regiments paid over R700 000 to Molelwane, shortly after CoJ had renewed its contract. A day after Molelwane received this payment, Makhubo transferred R500 000 to his personal account.

Evidence leader Matthew Chaskalson asked Makhubo if it does not strike him as odd that Regiments paid the amount shortly after the mayoral committee, in which Makhubo sits, had approved the extension of the Regiments tender with the city. Makhubo said that Regiments owed Molelwane so they were fulfilling the agreement between the two companies.

"Regiments owed Molelwane and they paid, there is no relationship between that and the decision taken by the mayoral committee. The award is not made by the mayoral committee but by the executive adjudication committee. I could not have had an opportunity to influence the outcome."

Makhubo added that Molelwane and Regiments signed their agreement in 2005, before he became ANC treasurer in the Johannesburg region. The agreement is that Molelwane will be paid 10% of Regiments profits and this continued even when Makhubo was MMC and Regiments continued doing business with the city. Makhubo says Regiments remains Molelwane's main source of income.

The mayor said he declared all his business interests before joining CoJ but Chaskalson says this was misleading, as Makhubo initially said he resigned from Molelwane in 2011 but continued to control its financial affairs until 2018. This was a conflict of interest as Regiments continued doing business with the city.

Chaskalson asked Makhubo about his status at Molelwane, and was told that Makhubo wanted to leave his company when he became MMC but the process took longer. "I told someone to resign my membership at my companies; I was of the idea that they did so."

Chief Justice Raymond Zondo contended that by 2018 Makhubo must have known that his resignation from Molelwane had not been completed. Chaskalson also asked Makhubo why he was giving instructions to FNB in relation to Molelwane's bank account in 2018 while he supposedly

resigned seven years before that. Makhubo responded that his personal bank account is linked to Molelwane and it has been like that for a while; he is still the signatory at the company.

Chaskalson asked him to comment on the R300 000 cheque he cashed at FNB from Molelwane's bank account. Makhubo said he could not remember correctly as he cashed out many cheques to help his employees when they needed it; the money would help his comrades too. He also admitted to cashing the cheques for personal use, "I buy furniture and did renovations and I paid cash for everything, even my supplier can attest to that."

Makhubo will come back to the commission at a later stage to respond to matters related to his involvement with EOH.

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