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Zondo commission – FS asbestos company paid towards ANC events, elections

Edwin Sodi, the man whose company was appointed as part of a joint venture (JV) to eradicate asbestos across townships in the Free State in 2014, is a regular donor to the ANC, often at the request of officials of the party. He told this to the commission of inquiry into state capture on Tuesday.

Before starting with his testimony, Sodi raised concerns with information seemingly leaked to weekend newspaper *The Sunday Times*, revealing some of the information that he had also given to the commission's investigators.

Sodi continued his evidence in relation to the project, worth R255-million, that has been the subject of investigation by the public protector. His company, Blackhead Consulting, entered into a JV with Diamond Hill, owned by Ignatius Mpambani, who was killed in an apparent hit in 2017 in Sandton. Commission investigators uncovered several payments made from Blackhead's account between 2013 and 2019. Sodi provided explanations for several of the transactions, as they were queried by evidence leader Advocate Paul Pretorius.

On two occasions, payments of R375 000 and R6.5-million to the ANC were made through senior officials Paul Mashatile and Zweli Mkhize respectively. These, said Sodi, were to the party and not for their individual benefit.

"The year 2014 was a good year for Blackhead and I recall having made substantial contributions to the ANC's election campaign," Sodi said in his statement to the commission, as read out by Pretorius.

Several other payments were made to past and current officials in the Department of Human Settlements, from which Blackhead gets most of its business. These include payments to Bongani More, the former deputy director-general of Gauteng human settlements, for R7.5-million, and Colin Pitso, Nomvula Mokonyane's former chief of staff, for R6.5-million. Both were in respect of business dealings between himself and the other parties, said Sodi when invited to explain.

In the case of Pitso, his name was only used as a reference in the payment, which was in relation to a construction business deal Sodi entered into with Pitso's father. A further payment of R2-million was made to Linda Ngcobo, a chief director at the Gauteng department of human settlements, which Sodi described as a loan to a friend. Similar payments made to deputy state security minister Zizi Kodwa in his personal capacity while still employed by the ANC amounted to R174 000 in total. These were to assist him through cash flow problems if there were delays in salaries at Luthuli House, for instance, said Sodi.

Commission chairperson Deputy Chief Justice Raymond Zondo was interested in the property transaction Sodi entered into with the head of the Free State human settlements department, Nthimotse Mokhesi, in 2015. Mokhesi was grilled on it on Monday, revealing that he approached Sodi after he had been rejected by Absa for a home loan. The bank, he said, could only lend him R1-million and nothing more, while he sought property in an upmarket area of Bloemfontein where the

prices ranged above that amount. On agreement with Sodi, the businessman brought a R650 000 investment, while Mokhesi's R1-million was raised through a family trust account.

Just as he did with Mokhesi, Zondo pressed Sodi on the appearance of an effort on his part to avoid having his name and Mokhesi's on the same deal. Sodi said this was not the first such property investment deal he had entered into, that one being a smallholding in the town of Parys, with a business associate he did not name.

"I could have gone into it alone. If one looks at the bulk of my property investments, they are mostly here in Gauteng, in areas I know quite well. There's probably one property in the North West, but there are certain areas that I'm not really familiar with, such as the Free State or Bloemfontein," said Sodi.

"When [Mokhesi] approached me with this potential investment, I said look, here is someone who lives in the area, he knows it better and because I'm not very familiar with this area, I'm quite keen to go into an investment with him."

Mokhesi did not reveal to him that he could not raise the full bond amount, and Sodi did not know that he would live in the property. "But eventually we settled on him living in the property, and I was comfortable with that, it was reduced in writing in terms of the agreement we had.

"We actually agreed that instead of him paying rent, he must use those funds – which was about R6 000/R7 000 per month. We agreed that he must use that as a top up of the bond repayments, instead of paying rent, so that we reduce the repayment period of the bond."

But on the face of it, pressed Zondo, it looks like a deal where Mokhesi needed Sodi more than the other way round.

"It may appear so, but when he approached me in 2015, he never disclosed to me that he was looking at acquiring a property of a certain amount but the banks could only give him a loan of R1-million. That information was certainly never discussed with me.

"He said I'm aware that you're looking at property in the Free State. I have come across a potential investment opportunity. Would you be keen to invest with me?"

Was the question of the deal's appropriateness raised, given that Sodi's company had contracted with the department just months prior? asked Zondo.

"It did. I raised that issue. I said 'look, we've completed our exercise, we've completed what we were appointed to do'. At that time Mr Mpambani had told me 'forget about phase two, it's not going to happen'. The information that he got was that there was not going to be phase two, there was no budget."

But the fact that there were still payments being made to the JV which would have to be approved by Mokhesi meant that he could have benefited from using payment as leverage for Sodi to pay towards the property. To this, Sodi said it couldn't happen because all payments were due to them as per the contract, and not at the discretion of Mokhesi.

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