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**Zondo commission – Singh met with McKinsey, Regiments before starting at Eskom**

Former Eskom CFO Anoj Singh admitted before the state capture commission on Thursday to engaging prospective contractors McKinsey Consulting and BEE partner Regiments Capital on a turnaround strategy for Eskom before he even joined the power utility on a secondment from Transnet in 2015.

His term at Eskom officially started in August, but Singh had several off-site meetings with representatives of both companies in June and July, willing them to assist in a turnaround strategy that would help launch his first 100 days at a struggling Eskom. A formal contract with McKinsey was signed only in May 2016, but work started in September 2015 on the strength of a signed letter of acceptance by both parties, according to Singh.

He initially denied that the meetings were meant to develop a strategy for Eskom, saying they were meant to induct him into the power utility. He later conceded, after being shown the dates on which they happened and the e-mail invites relating to them, which showed references to “Project Pandora”, supposedly covert in nature.

The first time the commission heard of Project Pandora was in the evidence of former Regiments, and later Trillian, executive Mosilo Mothepu, who was part of the meetings. According to her, the name referred to the famous Greek mythological Pandora’s Box, and meant to be kept secret.

Evidence leader Advocate Pule Seleka put to Singh that Mothepu testified that the meetings in question were to visualise his first 100 days, as well as Eskom’s Top Engineers Programme.

“At this point I would not have known the difference between 100 days or top engineers, because at that time it was just an induction,” said Singh.

“Indeed there were meetings that were held with McKinsey and the version that we have on affidavit is supported by the McKinsey version. I think it was Dr [Alexander] Weiss [of McKinsey] who gave evidence before the commission of the on-boarding process that they had taken with [CEO] Mr [Brian] Molefe and myself.”

Singh would later concede that Molefe was not present in the meetings, and in fact they did discuss a strategy to overhaul Eskom.

McKinsey was formally appointed to lead the advisory services for the strategy, enlisting Regiments as its BEE partner. A portion of the company broke away to form Trillian Capital, which replaced Regiments in early 2016 before McKinsey dissolved the partnership amid secrecy claims around its true directors. As was the case in Regiments, Gupta associate Salim Essa was a Trillian director, having allegedly amassed a lot of influence over the McKinsey partnership for both companies through McKinsey’s Vikas Sagar.

Asked by commission chairperson Deputy Chief Justice Raymond Zondo why the meetings would not include Molefe, given that he had joined Eskom just months before, Singh said they happened on McKinsey's insistence to "provide insight into the environment" he was going into.

Next was Eskom's payment of R30-million to Trillian Capital in April 2016 in respect of the work the company had purportedly done on the corporate plan. Singh maintained that the money was indeed due to Trillian, as its employees had taken part in the meetings and provided proof of work done. Also, McKinsey named Trillian as its sub-contractor, and not Regiments, and that had earned it the R30-million, he argued.

But Seleka again challenged him, noting that Trillian did not have employees in 2015, as its first employee – CEO Bianca Goodson – only started in January 2016.

"In this case there's clear error in the affidavit that I submitted. The comments that I intended to make in this paragraph related to Mr Koko's reference to January 2016. In actual fact what I intended to say here was that I disagree with the date, and it actually was prior to January 2016 in terms of the contract that we'd agreed with McKinsey at the time," said Singh. He was referring to evidence submitted by Eskom's head of generation at the time, Matshela Koko, in his own affidavit in relation to work supposedly done by Trillian.

The overall contract for the development of Eskom's corporate plan with McKinsey was worth R98-million. Again Singh learned for the first time during his testimony that it was signed by Eskom only in May 2016, a month after the payment to Trillian had been approved and made.

He conceded on the contract date, but contested Seleka's argument that Trillian had been paid before there was a formal agreement on the scope of work. Singh said an acceptance letter signed by both Koko and Weiss on behalf of McKinsey was binding enough for payments to be made.

But why pay Trillian directly, if the letter was signed by McKinsey, Singh was asked.

Eskom, he said, had a policy that allowed it to pay sub-contractors directly, stemming from disputes in the past that emerged from main contractors swindling them out of their rightful share.

"Both Eskom and Transnet adopted a policy that enabled them to pay sub-contractors directly. It emanated from the issue of paying the main contractor, who then had the discretion on whether to pay the subcontractor, and when and how and how much," he explained. "Those issues became thorny for the entities to deal with, because they became the entities' issues."

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