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Zondo commission – Zondo questions Eskom sponsorship of ANC dinner

The ANC's 2014 anniversary gala dinner, held in Nelspruit on the eve of the party's January 8 rally, ignited a line of questioning from state capture commission chairperson Deputy Chief Justice Raymond Zondo on Tuesday. He questioned the appropriateness of Eskom sponsoring the event, when it was in effect a political party fundraiser and not a state event. Former Eskom chairperson Zola Tsotsi was on the stand for the second time.

Tsotsi described the event as an opportunity for Eskom to promote its 49M campaign. The utility's management had asked him, as its new chairperson, to speak on the evening. But Zondo said he failed to understand why this had to be done at an ANC event. "So Eskom was sponsoring a political party event, why is it proper that that should happen?"

"Management asked me to attend and speak on behalf of Eskom at this function," said Tsotsi, who had only been chairperson for a short while. The event was also the first occasion at which he met the two older Gupta brothers, Ajay and Atul, with whom he sat at the main table.

But Zondo was not convinced by Tsotsi's assertion that Eskom needed to be there, and wanted to know why state entities participated in the ruling party's events, when the same was not done for other parties. Access to government leadership should be promoted, he argued, without the ANC necessarily being involved. "Did Eskom or other state-owned companies ever do such things in DA meetings, in UDM meetings, in Inkatha [IFP] meetings and Freedom Front Plus meetings?" Zondo asked. Tsotsi said to his knowledge, there had never been such events for other parties.

"I do not think they do the same with any other political party. As I recall, even with invitations given out by ANC leaders, the benefit you as a company derive is that you are going to network with the ministers and high-ranking officials of a political party that is in government. To me that does not sound right," said Zondo. The fact that Eskom had a seat at the main table, he added, meant that it sponsored the event, but Tsotsi said he had no knowledge of that being so.

His first board meeting, scheduled for late February, had to be postponed on the telephonic request of former president Jacob Zuma. Zuma gave no reason, but only said he called Tsotsi because he could not get hold of then minister of public enterprises, Lynne Brown.

Zondo raised the question of whether or not it was appropriate for the president to dictate such to a board. Tsotsi said he understood that Eskom's Memorandum of Incorporation (MoI) allowed Brown the authority to do so, but he did not question the matter because Zuma had mentioned that it was only because he could not reach Brown that he contacted Tsotsi.

When evidence leader Advocate Pule Seleka checked the MoI with him, Tsotsi conceded that it did not stipulate this after all. As for the meeting, he later rescheduled and the board was able to sit in March.

For Tsotsi, the rest of the year would be characterised in part by demands on him by Rajesh “Tony” Gupta. One such demand was that Tsotsi make an investigation into an irregular contract between Eskom and the Gupta-owned TNA Media “go away”, as he was the boss. The contract had been entered into during the tenure of interim CEO Colin Matjila and was worth R45-million. When Tsotsi told Gupta that an investigation was under way and thus the problem could not disappear, he was told that people who do not follow the Guptas’ orders were deemed “baba’s enemies”, in reference to Zuma.

“There was an element of intimidation, considering they had a relationship with the president,” said Tsotsi.

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