



7 August 2020

Zondo commission – hidden evidence and false promises in FS asbestos deal

The director of a company that was involved in the 2014 Free State asbestos project has told the commission of inquiry into state capture of a possible concealment of evidence in the matter. Kgotso Manyike's ORI Group is the only company that did any work in the project, auditing and assessing over 300 000 houses across the province in 2014 in an effort to determine the extent of the need for the replacement of asbestos roofing across the province.

The company that had sub-contracted ORI, Mastertrade 232, failed to pay the full agreed fee of R21-million, resulting in the former bringing a lawsuit against it.

Mastertrade was itself sub-contracted in the venture. It is owned by Martin Zwane, a friend of the late Ignatius Mpambani, director of one of the main contractors, Diamond Hill Trading. Mastertrade in turn charged R44-million to the joint venture (JV) of Diamond Hill and Blackhead Consulting, owned by Edwin Sodi.

ORI did the work at a fraction of what the Department of Human Settlements agreed to in October 2014 – a total of R255-million – with the JV. Manyike told the commission on Friday that during a meeting with officials from the Special Investigating Unit it was revealed that statements made in respect of the litigation involving ORI and Mastertrade were missing.

"I could see they were looking for something they couldn't find in that file," Manyike said. "They went to the court to get the statements, the affidavits, and it appeared as if certain affidavits in that file grew feet so I don't know what needs to be done."

The project is the commission's current topic of interest, and revelations from the players involved have so far revealed a strong case for possible maladministration on the provincial government's part. The cost of auditing, assessing and removing asbestos from affected houses across the province was placed at R850 per house by the JV after their initial proposed price per house – R1350 – was shut down by the department.

Manyike was the first witness to testify on Friday, telling the commission that Mastertrade only paid him R6-million. ORI's rate per house was R6.50, a huge contrast to what the JV charged.

He believes that the reason why Mastertrade sub-contracted him was that it did not have the capacity to do the project itself. Despite this, Zwane pocketed R10-million for his part. Zwane was described by Manyike as a "social facilitator", a role he had seen him play in past projects. It entails brokering support for community-based projects to avoid political and other conflicts that might lead to protests from those not in support.

In fact, it was Zwane who first told Manyike that “something was cooking” in the Free State, referring to the project, while the latter was doing similar auditing work in Gauteng. The commission would learn later in the afternoon during Sodi’s testimony that Zwane was sub-contracted on the basis of his friendship with Mpambani. It was also a cause for a conflict between the partners, as Sodi had not been told of ORI’s existence. When Manyike made a presentation to him and Mpambani just before the project rollout, the impression created was that Sodi was doing it on behalf of Mastertrade. The first time he learned that the two were separate entities was when the lawsuit emerged.

What Mpambani and Sodi did not disclose in their proposal – which later won them the department’s favour – was that all they could realistically do was the audit phase, as neither company is accredited for the removal or transportation of asbestos material.

Manyike made a commitment to assist the commission with further evidence that it may require, as he still has copies of statements from the case.

Useful links:

[Zondo Commission website](#)

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