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### **Zondo Commission – Mabuza unpacks Eskom capture**

Eskom's most vulnerable period was between March and December 2015, when a change in leadership enabled third parties affiliated to the Guptas to run amok, pillaging the power utility's finances along the way. They did this, however, with lots of help from within. The period was also among the worst in terms of load shedding in the history of the company.

This is the testimony of board chairperson Jabu Mabuza, who concluded his appearance before the commission of inquiry into state capture on Monday. Structures were put in place, he said, and people brought in to Eskom, for the purpose of creating opportunities for state capture. In March 2015 four executives were placed on suspension by then board chairperson Zola Tsotsi, namely chief executive Tshediso Matona, finance head Tsholofelo Molefe, group capital head Dan Marokane and commercial and technology head Matshela Koko, while an enquiry was conducted into the poor performance of the utility and cash flow problems, among other issues. Board member Zethembe Khoza was then appointed acting CEO.

The enquiry, conducted by Dentons, was discussed with Mabuza on Friday. The company was appointed in April 2015 to carry out the investigation, but this was stopped soon after a preliminary report was produced in July for the board. No explanation was given for the stoppage, except that the board was satisfied with what Dentons had found at that point. The four were cleared of any wrongdoing, but only Koko returned to his job.

Mabuza testified that on the same day that he returned to work, 20 July 2015, Koko began sharing confidential company documents with someone from outside Eskom, believed to be Salim Essa, the man dubbed the "Gupta lieutenant". The documents ranged from board resolutions to details of a training programme for engineers. Former head of legal at Eskom Suzanne Daniels told a parliamentary inquiry into Eskom last year that she was told by Essa during a meeting in early 2015 of the impending suspensions.

Details of the now-public bank guarantee worth R1.68-billion, given by Eskom to Tegeta Exploration upon the awarding of a coal supply contract to the company, were among those shared with Essa. The guarantee is currently the subject of a Special Investigating Unit probe. There is wide speculation that the guarantee was offered to enable then newly-established Tegeta to acquire Optimum mine from Glencore. Emails between former Eskom CFO Anoj Singh, Essa and Koko discuss the guarantee, which was obtained through Absa Bank, after FNB and Standard Bank offers did not satisfy them. The pre-payment was approved by the board. Daniels was also charged by the board for her part in the transaction. Again email correspondence showed that she took instructions from Nazeem Howa, then CEO of Oakbay Investments, which owned Tegeta.

Another classified document had details of an engineer training programme. Mabuza believes this was to benefit disgraced consultancy firm McKinsey, which, once furnished with its details, could gain advantage in offering it to Eskom. The only hurdle there was Eskom's policy on the inclusion of black empowerment partners in such contracts, which is where asset management company Trillian would then come in. Important to note, said Mabuza, was that Trillian was not yet in existence at the time

that Koko was orchestrating the capture of Eskom by McKinsey, in July 2015. This would imply that the company was established solely for the purpose of fronting.

Mabuza has assured the commission that the board takes very seriously the recommendations of the parliamentary inquiry into Eskom that Koko, among others, be criminally charged for their part in the alleged capture of Eskom by Gupta associates. Eskom, he said, was good as a target for corruption, because of its position in the economy, and how much it is able to spend.

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