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Zondo Commission – former Free State MEC tells of Magashule’s relationship with Guptas

Former Free State MEC for economic development Mxolisi Dukwana told the commission of inquiry into state capture on Friday how he was set up by his boss Ace Magashule in 2011 to meet with Rajesh Gupta, who demanded a partnership in a major innovation project under his department. Dukwana was dismissed in early 2012 as a consequence of a reshuffle by Magashule, and replaced with Mathabo Leeto. He believes he was fired for his refusal to be co-opted in what he called the capture of the province with Magashule’s help.

Dukwana, who was also ANC treasurer at the time of the meeting, was asked by Magashule to travel with him to Johannesburg on a fundraising effort for the party, to meet a delegation of business people, in light of the provincial elective conference due to take place later that year. Instead the pair landed up at the Guptas’ Saxonwold home, where Dukwana thought Magashule had some business to conduct before they moved on with their plans. Dukwana was left in a room on his own and offered a drink, while Magashule proceeded into another room with Gupta. The two men soon returned in the company of Duduzane Zuma and several other people, including former Transnet board member Iqbal Sharma.

The group then entered a boardroom, where Gupta gave Dukwana what seemed like a letter written on the letterhead of his official government office, appointing a Gupta-linked company to do work on the City of Tomorrow project. This had been conceptualised as an overhaul of the province’s Machabeng area, which was to be turned into what Dukwana referred to as the prospective “silicon valley of South Africa.” The project was worth billions, but was at this point in its initial phases, with its details not yet publicly known.

What struck Dukwana was the level of detail in the contents of the letter, which highlighted information that had not been extensively shared outside of his department. It also carried the official spelling of his surname, Dukoana, instead of Dukwana, a discrepancy in his ID book that only those closest to him would know. It became clear that the details had been shared from a high-level office, which Dukwana concluded to be that of Magashule. Gupta explained that all that was needed from Dukwana was his signature, and all else would be taken care of from their side.

When he refused to sign, Dukwana was offered R2-million in cash by Gupta, who added that their agreement could also leave Magashule out, as the family was already doing business with him on other fronts. Gupta added that beyond the R2-million cash payment, Dukwana would receive the same amount monthly for the duration of the project.

Throughout all this time, Dukwana said, Magashule would not make eye contact with him. The only time he spoke was when Gupta – in his effort to persuade Dukwana – gestured towards Magashule and then Zuma, to emphasise the point that they too received monthly payments of R1-million each for their involvement in the Jakkalsfontein mine project, another entity involving the family. Both acknowledged that Gupta was speaking the truth.

It soon became clear that Dukwana would not sign, when he offered to take the letter away to get legal advice on it. Gupta refused this proposal and said if Dukwana's concern was how the deal would be handled in his department, he could offer a replacement head of department, if that would help. Gupta then made a call, after which a man introduced to Dukwana as Richard Seleke presented himself to the meeting. Seleke, said Gupta, could take over as HOD at any point, if Dukwana wished so. An irritated Dukwana left the house alone, leaving Magashule behind, and was driven back to OR Tambo Airport.

It would become clear to him that the Guptas were not going to abandon the proposed partnership. Two days after his office presented the City of Tomorrow project to the provincial cabinet, he received an e-mail from Magashule's son Tshepiso, sent on behalf of Sharma. Again it was a letter authenticating the involvement of the Gupta company in the project, drafted as if to be sent from Dukwana to thank a Mr Joe Thomas for having met with the department to discuss the project. Several more draft letters were created and sent to him, with the intention of him only signing off on them.

Dukwana's view is that Sharma was never interested in the project or what it could deliver, but merely wanted to milk the provincial government. Sharma later attempted to sue the department, when he claimed that officials did not commit to developments he had tried to impose on the department.

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