



9 September 2020

Zondo commission – Tsotsi says board about-turn was a sign of Gupta influence

Former Eskom chairperson Zola Tsotsi told the commission of inquiry into state capture on Wednesday that the events in the lead-up to the suspension of four members of the power utility's executive in March 2015, and afterwards, show that there was an orchestrated move to bring Gupta people in.

"Knowing that the Guptas were having some kind of a hand in the way things were going on at Eskom, I had the distinct impression that there could be an orchestration here to replace the top layer of Eskom with other people who were associated with the Guptas.

"One doesn't have the concrete proof and evidence of these things, but one can associate events as they occur and be able to, as they say, connect the dots, to be able to come to these kinds of conclusions."

Tsotsi said his fellow board members turned against him, to his shock, by levelling charges of misconduct against him after a decision had been made to institute an inquiry into Eskom's non-performance at the time. Before the inquiry could kick off, however, four of the company's executive team were to be suspended, for fear that they might interfere with the process.

They were CEO Tshediso Matona, head of technology and commercial Matshela Koko, Dan Morakane who headed capital projects, and financial director Tsholofelo Molefe.

According to Tsotsi, the idea did not originate with the board, which discussed it for the first time on 9 March 2015. He had initially heard of the intended inquiry and suspensions from former SAA chairperson Dudu Myeni, who addressed a meeting the day before the board met, at former president Jacob Zuma's home in Durban. Also present at the meeting was Nick Linell, who had worked closely with Myeni, and was proposed as the consultant who could oversee the intervention.

The board did not conclude on the matter on the 9th, asking instead for a chance to hear then public enterprises minister Lynne Brown's presentation of the case for the suspensions and inquiry. Brown met with the board two days later, and Tsotsi says it was then that the general attitude changed.

"If I remember correctly, there were no sad feelings about the suspensions [on the 9th]. There was no conclusive thinking that the executives would actually be suspended. The affirmation of the suspensions happened after the meeting with the minister."

It was also on the same day that Tsotsi introduced Linell to the rest of the board, who did not appear to be opposed to his appointment as prescribed by Myeni.

"The board had made a decision on the 11th that it would like Nick Linell to assist it in coordinating the work that needed to be done before the service provider comes on board. He would deal with

the matter of the suspensions and also assist the audit and risk committee to formulate the terms of reference for the inquiry.”

But it was Tsotsi who ended up on the receiving end of the board’s wrath. He was charged with unilaterally appointing Linell, without following procedure, thus opening Eskom up to non-compliance with procurement legislation. “I had no reason to inform the board of something that didn’t happen. The board knew what Linell had been doing and what his role was, the board welcomed that role.”

To that point, said Tsotsi, Linell had been doing the work on a *pro bono* basis. He referred to a similar situation where board member Romeo Kumalo sought the advice of communications expert Happy Ntshingila in the formulation of a media statement meant to communicate the board’s position during this period. On this basis, Tsotsi said Linell was never formerly employed by Eskom.

“Mr Linell could only be considered employed by the board if he’d had a written letter or contract signed by the chairman or had received some remuneration or compensation for the work he had done for the board.”

On the point about the Guptas’ influence at the parastatal, Tsotsi said he only started connecting the dots after his departure from Eskom, and recognised the signs that it was captured.

He told the commission that soon after the appointment of the board in question, he was going through the task of assigning committee roles when he received an e-mail from Gupta associate Salim Essa with a proposed configuration to this effect. Tsotsi said he ignored it, and gave his own version to Brown, whose only response was to return the same proposed formation that Essa had sent.

The commission has asked Tsotsi to see if he can find copies of these documents to help it with its investigation.

Tsotsi was succeeded by Dr Ben Ngubane.

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