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Zondo commission – Kodwa lived it up in style, bankrolled by state contractor

The deputy minister of state security and ANC NEC member Zizi Kodwa allegedly lived up a storm in luxury holiday spots in Cape Town at the end of 2015, months after purchasing a luxury vehicle, enjoying kickbacks from ICT giant EOH in return for his influence in the company getting lucrative state contracts. This happened during his tenure as ANC spokesperson.

Managing director of ENS Forensics Services Steven Powell described a series of payments in 2015 and 2016 that appeared to have been made into Kodwa's private bank account either by or on the instruction of EOH director Jehan McKay. He followed a trail of e-mails between the two in which contracts that EOH was either bidding for or had been awarded were discussed.

McKay also facilitated payments to ANC events in this period, typically around the time of the contract awards.

"The e-mail data and financial evidence that we reviewed shows that over the period May 2015 to February 2016, Zizi Kodwa, who I understand was the ANC spokesman at the time, chair, received direct payments as well as luxury accommodation with a combined value of more than R2-million," said Powell.

According to Powell, Kodwa purchased an R870 000 car from Jeep Sandton in May 2015, just days after receiving a R1-million payment with McKay as a reference in the bank statement. This Powell was able to deduce from Kodwa's banking records that were subpoenaed by the commission.

He reviewed three government contracts, in the National Department of Home Affairs (DHA), the Eastern Cape education department, and the South African Social Security Agency (Sassa) respectively. Payments made to Kodwa around the times of the contract awards are understood to have been rewards for his intervention in getting them awarded to EOH, said Powell.

The Sassa contract, with a value of R90-million, was awarded in March 2015 to EOH for three years, for support and maintenance of ERP Oracle software. On 28 April McKay made a payment of R1-million to Kodwa, and days later, on 6 May, Kodwa paid via a direct transfer for the car in question.

He was, however, not the only beneficiary of the scheme. In April, McKay instructed his executive assistant in an e-mail to ensure that the needs of a party, which included an employee of the Department of Social Development known as Ingrid Ndlovu, was catered for in terms of flights and accommodation. The total cost associated with Ndlovu was R118 000.

McKay made further payments of R35 000, R45 000 and R80 000 to Kodwa on 26 May, 10 July and 13 July.

Following the last payment, on 14 July, McKay sent Kodwa an e-mail alerting him to a challenge that EOH had run into regarding the DHA tender, which was at evaluation phase at this point.

“My brother, I hope you’re good. If it’s possible, please can you ask the chair to look into DHA RFP 1303/2014. There are games being played. Initially, we were number one, then Phendulani, head of procurement, decided to re-evaluate the bids and now it seems we are disqualified,” reads an e-mail from McKay in which he appears to expect Kodwa to intervene.

The value of the contract was R360-million, said Powell, which meant EOH had a lot to lose. It was for the provision of platinum access service solutions across government.

A month later, on 5 August, McKay sent Kodwa another e-mail, this time with an attachment of a draft letter of request for sponsorship. It was on an EOH letterhead, and appeared to be an enticement for Kodwa to send to the ANC in the Eastern Cape in anticipation of the education department tender coming up.

EOH won the contract as part of a consortium – with a 40% stake in its total value – for the provision of records restoration services. Out of the R270-million total value, EOH stood to make around R80/R85-million, said Powell.

Following the award, a letter asking McKay for assistance in sponsoring the provincial conference in October arrived, and EOH’s response was to donate over R700 000. Kodwa received a payment of R250 000 into his account.

Holidaying at the exclusive Barbados Villa near Clifton Beach in Cape Town between 23 December 2015 and 5 January 2016, Kodwa parted with a cool R230 000. Other vacations, costing well over R600 000 collectively and including costs of a private chef on two occasions, were recorded between October and November 2015.

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