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Zondo commission – Pita’s safety deposit boxes come under scrutiny

Like his predecessor Anoj Singh, former Transnet CFO Garry Pita rented a number of safety deposit boxes at Johannesburg’s Knox Vault facility over the course of a few months in 2015. This was around the time that Gupta-linked Regiments Capital was starting to cash in on its allegedly irregular contracts with Transnet.

Pita was questioned by the state capture commission on Tuesday evening on his seven boxes, acquired between June and December, which he said were for safekeeping of documents of a family business, and not cash from the Guptas.

He became the acting CFO in August 2015 when Singh was seconded to Eskom, having served as the group executive for supply chain management. One of the benefits of his new role was that he would receive a close protection officer (CPO), like Singh had had. In this case, it was an individual known before the commission as Witness 3, who testified in-camera last year to his time as driver and CPO of both Pita and Singh.

According to Witness 3, both men had a habit of visiting Knox Vault, often with bags that he assumed contained cash, and would emerge from the facility with the bags looking empty. Furthermore, Witness 3 told the commission that both men made numerous visits to the Gupta residence in Saxonwold, where he would drive them when assigned to them.

Pita denied this, saying that he typically visited Knox Vault with a laptop bag to either drop off or retrieve documents belonging to his family. He queried the association made by Witness 3 in relation to his trips in the same context as those made by Singh and former public enterprises minister Malusi Gigaba, inferring that the three of them were involved in corrupt dealings with the family.

“The first occasion that Witness 3 drove me to the Gupta residence, I didn’t know it was the Gupta residence, and Witness 3 didn’t advise me that it was the Gupta residence,” Pita said.

He was invited by Salim Essa, a close associate of the Guptas, who also represented Regiments in several dealings with Transnet. Pita had just assumed the permanent role of CFO in February 2016, and Essa wanted to discuss a cession of contractual rights that Regiments was to make to a new company called Trillian Capital, of which he was also going to be a part.

Around this time Regiments held several advisory services contracts with Transnet related to the 1 064 locomotives procurement concluded in 2014. For the most part, up to his departure, it was on Singh’s recommendations that the contracts were concluded, and by this time made Regiments several hundreds of millions in transaction success fees. Now that Pita held the CFO role, it was up to him to oversee matters such as the topic Essa wanted to meet about, he said.

Pita admitted that he met with Essa several times, and on two occasions Rajesh Gupta was present in the meetings. He deduced that while Essa was a shareholder in Trillian, Gupta was an investor, hence his presence. Around the time that the legalities surrounding the cession process were being

finalised, however, Pita was summoned to Saxonwold to explain why Transnet had paid Regiments for work that, in Gupta's opinion, had been done by Trillian. This surprised Pita, he said, because the tone of Gupta's address to him was one of entitlement.

"Chair, this was a very strange meeting. I came with the mindset that I was going to be served or furnished with some sort of legal papers showing that the matter between Trillian and Regiments was being finalised and the cession had been agreed upon," said Pita.

"Mr Gupta then took charge of the meeting and started going backwards, talking about the fact that they had already done work for R60-million, it was already vouched for. He spoke about the R600-million of value that they'd created and they'd not been paid a cent for it."

Pita was then taken back by evidence leader Advocate Anton Myburgh through a chain of events that began with him recommending in April 2015, to then GCEO Siyabonga Gama, a success fee of R166-million in favour of Regiments, for its part in negotiating a loan with China Development Bank (CDB) to help fund the locomotives project. Myburgh pointed out that Regiments eventually received a total fee of R189-million, that ended up in the Guptas' laundering network through Albatime, a shelf company that is believed to be part of the network.

In July of the same year, Pita and Singh again recommended payment of R647-million in respect of the relocation of the assembly plant of China North Rail – one of the four original equipment manufacturers – from Pretoria to Richards Bay.

"The context is important, because you get boxes in June. This is something that happens in July," said Myburgh. Ultimately, he added, a company called BEX received a kickback of R67-million in relation to the transaction, and this was also moved to the laundering network.

Another payment made on Pita's recommendation was to Trillian in respect of the CDB loan negotiations. It happened on 2 December 2015, according to Transnet's records, the same day that he acquired a pair of large boxes for rental from Knox Vault.

Myburgh put to Pita: "This is the context, Mr Pita, where you were involved in these payments. They're all tainted. They all gave rise to money laundering, and in respect to one of them, on the same day that you took two large boxes."

"Well, what I see from your analysis is that those two boxes were opened on the same day, but nothing was accessed. There was no deposit made, there was nothing brought into any box on that day," Pita replied.

He further told the commission that he knew nothing of the finding of commission investigators that R74-million of the December payment was then forwarded by Essa to Albatime.

Pita paid an upfront amount of R30 000, towards the rental of four of the boxes, the commission's investigators found, said Myburgh. He questioned why he could not simply keep the documents at home, to which Pita said he did not have enough space. Pita cancelled one box in February 2017, and another five in October that year, leaving only one active box.

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