



22 June 2021

Zondo commission – Zuma lawyers paid through Gupta laundering network, Zondo hears

The state capture commission has heard how money laundering entities linked to the Gupta enterprise allegedly paid millions to attorneys retained by former president Jacob Zuma in different litigation matters, in 2014.

On the witness stand on Tuesday was forensic investigator Paul Holden of London-based Shadow World Investigations. He gave an overview of several movements of funds emanating from payments to entities in a laundering network closely attached to Gupta-linked companies that were awarded state contracts, including Regiments Capital.

Hulley and Associates and Abbas Latif, said Holden, were paid amounts of R2.8-million and R4.4-million respectively on 9 and 10 April 2014, presumably for services rendered by senior counsel retained in Zuma matters during his term of office. Holden presented a client ledger which Zuma's former official state attorney Michael Hulley provided as part of an affidavit to the commission, as well as invoices sent to his law firm by the late senior counsel Advocate Kemp J Kemp in September and November of the same year.

In the invoices, Kemp detailed the services in respect of which he was charging Hulley, namely Zuma's North Gauteng High Court challenge of a DA application to set aside a decision of the National Prosecuting Authority (NPA) to drop corruption charges against him. In 2009, acting head of the NPA Mokotedi Mpshe announced the decision to drop charges against Zuma, in reaction to which the party launched its application days later.

In 2016 the high court ruled that the NPA decision must be set aside, but the charges against Zuma were re-instated in 2018 and it was later announced that the matter would be heard in the Pietermaritzburg High Court, where it commenced this year after several delays. In his most recent appearance, the former president pleaded not guilty, and the matter was adjourned until July.

In May Holden took the commission through what he termed transactions by "first-level" laundering entities, companies that would have received payments through legitimate banking facilities, from contractors, such as Regiments and Trillian Capital, of state-owned entities like Eskom and Transnet. On Tuesday he took things one level deeper, describing a network of "intermediaries", companies that existed solely for the purpose of receiving and passing on payments from the first level. Some of these payments reached as far as China, and it was through a transaction in the network there that the Reserve Bank was alerted to possible illegal trading and shut down the account of first-level entity Homix.

This was the same entity from whom another company, named Baqou Trading (sic), was paid millions and then transferred to the attorneys. The payments in respect of the Zuma legal fees were made to Durban-based Hulley and Associates from Baqou, having itself received the money from Homix.

Describing what the relationship between entries in the ledger from Hulley and invoices from Kemp meant in respect of a R200 000 payment in October 2014, Holden said: “What we see from these statements is that, of the R200 000 that is paid in relation to Advocate Kemp J Kemp from Hulley and Associates, R60 676.37 was in payment of Advocate Kemp’s services to Hulley and Associates in representing [former] president Jacob Zuma in that particular matter.”

In his previous appearance, Holden placed the total loss to state capture from which the Gupta family benefited at just under R50-billion, with the Guptas themselves walking away with just under R16-billion of that.

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