

27 February 2018

Opening Statement by Rajie Murugan

Honourable Chairperson, Honourable Members, Advocate Vanara and all those present today. G9 Forensic is deeply honoured and massively relieved that together with Senior Counsel Dumisa Ntsebeza, Mrs. Jeanette Uys and Mr. Siphwe Nkomo, that we are finally able to provide the Committee with a different version, probably for the first time, an insider account of how the Trillian Investigation came about, where it is and where it needs to be. We begin with our letter, which prompted this visit to the Portfolio Committee.

We respectfully suggest that our presentation today should proceed in the following manner. This opening high-level account is meant to provide the Committee and indeed the Country with the facts on our appointment and the early termination of the investigation; and events in between. We believe that this is necessary to provide the clearest picture of what has transpired in this Trillian investigation.

We shall further present the report for as long as you would allow us to and, in the process, we shall, where we deem it necessary, provide an overview of the documentary evidence, portions of affidavits, audio recordings and pull all the strands together to inform the Committee on where there is suspected criminality or patent contraventions of Eskom

Policies and Procedures, as well as National legislation, which includes the PFMA.

G9 was appointed by Eskom's Anti-Corruption and Forensic Unit headed by Ms. Thembeke Ndaba to investigate allegations by a whistleblower in respect, of two payments made to Trillian which we shall delve into during the presentation of our report. At an early juncture, allow me without sounding patronizing, to record that Eskom's Internal Audit and Forensic Department must be credited and commended for their support provided to us during this difficult investigation. We hope to explain later during our discussions how a perfectly functioning governance unit can be subjugated into submission with minimal financial support and lack of resources, in most cases deliberately by what can only be attributed to Eskom's previous Boards of Executive Management. The less support there is for governance, like in Eskom, is exactly the type of activity which can lead to a score of 3.

This investigation lasted all but six weeks. In our respectful view we were making significant progress and uncovering contraventions of Eskom policies and the Public Finance Management Act (PFMA) among others.

Very quickly, the body of information and evidence pointed towards possible corruption, money laundering and racketeering. While the obvious much publicized names were becoming clearer on our radar, many questions remain in respect of who the others are. This can only be revealed if the investigation is allowed to re-commence and is to be brought to its natural conclusion.

After about 3-4 weeks of our investigation we met the acting IGCE, Mr. Johnny Dladla, a man who we have high regard for. We say this because he was fully behind this investigation and provided us with all the required support and mandate. Maybe too much for the good of Eskom and himself. It is clear in our mind, that this is one of the most critical factors that led to him being removed from his post. Our credible information is that the management of the investigation was taken away from him by the former Chairperson Mr. Zethembe Khoza to be overseen by himself and the interim Board. This, Honourable Members is highly unusual or in fact contrary to any or all governance protocols.

Put simply, the results and confirmation of unbridled abuse and dodgy decisions in the Trillian investigation which involved some of the former Board, previous Chief Executives and some Executive Managers at Eskom was not palatable for Mr. Z. Khoza. Why this was so, is a matter of conjecture at this stage, but we are prepared to fearlessly venture or volunteer a few reasons:

- 1) He is possibly involved in the Trillian Debacle by Association.

2) He was derelict in his duties, as the Chairperson of the Board Tender Committee which approved this tenuous contract with McKinsey. Our investigations, incidentally confirmed that there was **No Contract** with Trillian.

We were called to present our Summary Findings to Mr. Johnny Dladla and about two weeks later, we were requested to present the same report to the ARC, as reflected below.

On 30th August 2017, prior to Mr. Dladla being sent through the revolving door, we were called to present a summary report of our findings to the Audit and Risk Committee. Even though this was an ARC meeting, we believe that all interim Board members, including Mr. Zethembe Khoza.

I must remark at this stage that it struck me as very disconcerting that for the most part, Mr. Khoza was on his cell phone during a critical presentation on a matter which was gripping the Country's attention.

The presentation was at face-value, well received by the ARC. We demonstrated to the ARC that the investigation was proceeding well; and that several very senior officials were being found wanting; and that the evidence was pointing to criminal conduct in as far as Trillian was concerned, at that stage.

At that meeting, it was resolved that the investigation should continue and that G9 should interview McKinsey and Trillian; as well as

Mr. Anoj Singh and others.

We left in high spirits and the ARC continued to discuss and deliberate. We knew that to complete the investigation and to present a comprehensive report, this was a necessity.

It was resolved in our presence that G9 should be afforded the opportunity to interview Trillian, McKinsey and others. We were informed that the ARC would revert to us in as far as our request to interview Mr. Anoj Singh was concerned.

At this time, just before we left the Meeting, I addressed the ARC (Board Members) and informed them that as a Forensic Firm, it was our duty to probe the BTC. We told them that we believed that they may have contravened their Fiduciary duties in respect of this investigation. As such, we wished to interview all members of the relevant BTC (Mr. Khoza, Ms V. Naidoo among others), who approved the McKinsey transactions.

To our utter amazement, two hours later, we received an email from the Board to terminate our investigation and to provide our Final report.

In hindsight, I probably should not have informed the Board that they were potentially guilty of contravening their fiduciary duties and that as a Forensic firm, we had no intention to leave them out of the equation.

My exact words to Mr. Zethembe Khoza was that, we would investigate the BTC decisions and that I can assure them that we would not “Gloss Over” the conduct of the BTC.

You see, Honourable Members, this Trillian mess, in our view must be left squarely at the door of the previous Board Tender Committee as we will discuss later; and includes several entities and officials as will be seen from our report.

We proceeded to write up a final report which we provided to the Board in September 2017. Notwithstanding the termination of our mandate. This report, was almost in its entirety, the same as the one you have today. We believe that the “Report” which has been provided to the Portfolio Committee may well have been a 21 page Summary Report. This is what we believe, represents the leaked summary report which has been quoted in the media.

We believe that our mandate was terminated because, we made clear our intentions to investigate the BTC.

We understand that Mr. Khoza informed this Committee that Bowman’s and G9 Reports were taken on Review.

We sit here today, deep in the knowledge and Hope that it’s time for those that have brought us to our knees with corruption, shall now face the full might of the law.

We stand ready to investigate fairly, transparently and vigorously to ensure that anyone who may be guilty is finally arrested and charged.

In closing, we can confirm that G9 has provided an affidavit to the Hawks on the instructions of the new IGCE and Head of Forensic (Eskom) to institute criminal investigations against anyone involved, inside or outside of Eskom in respect of this Trillian Report. I have submitted an affidavit to the Hawks and can confirm that G9 will assist the Hawks during their investigations; and further discussions with Eskom shall take place on this matter going forward.

I would like to take the remaining time to reference our report in terms of its findings, conclusions and recommendations.

Rajie Murugan