

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION No: 858**

**QUESTION**:



**858. MS RN KOMANE (EFF) TO ASK THE MINISTER OF PUBLIC ENTERPRISES:**

(1) What investigative measures has he taken to confirm the allegations made by the former Chief Executive Officer of Eskom regarding fraud and corruption at Eskom? NW964E

**REPLY:**

1. The work done since 2018 to date to address corruption within Eskom is as follows:
2. Contracts cancelled by Eskom because of SIU’s investigations:

* Coal Supply Agreement (CSA) - R6.955 bn.
* Build contracts – R4.128 bn.
* Total – 11.083 bn.

1. Contracts declared invalid by the courts.
   * Tegeta – Brakfontein/Majuba Coal Supply Agreement - R3.7 bn.
2. Savings/Losses Prevented

* CSA: Setting aside Brakfontein CSA – R2.684 bn.
* CSA: Cancellation of Koorfontein CSA - R5.550 bn.
* Build Contract matter before Dispute Arbitration Board - R400 m.
* Prevention of future losses – R1.45 bn.

1. Evidence referred to assist Eskom in the defence of five contractors' claims of R7.2 bn before the Dispute Arbitration Board.
2. Approximately R4,8 bn is being claimed against suppliers and former directors of Eskom.
3. Eskom and SIU successfully recovered R2 bn unlawfully paid to Trillian, Deloitte, ABB, and Meagra Transport CC.
4. SIU launched investigations into 14 coal transportation service provider concerning payments from 01 January 2010 to 31 January 2021.
   * Five employees were suspended, one resigned during the interview with the investigating team and one resigned prior to commencement of the investigation.
   * The official who resigned during the interview received R3.1m from one of the vendors under investigation.
   * The SIU Tribunal granted an order in October 2021 to freeze R11.5m held in a bank account of an entity, which a senior Eskom official was a signatory, and the official was dismissed.
   * 15 criminal cases are being investigated in relation to coal transport contracts.
5. Four diesel suppliers implicated in potential wrongdoing are under investigation.
6. SIU has referred the following 5620 matters to Eskom for institution of disciplinary proceedings:
   * 5464 for failure to submit financial declarations that are integral in preventing and detecting conflict of interest concerning the management of Eskom's resources.
   * 135 for failing to declare or get approval for doing work outside of Eskom.
   * 11 officials were red flagged through lifestyle audits.
   * 10 officials referred through whistle blower reports.
   * 14 officials referred concerning findings from build contract investigations.
   * 1 official in relation to coal transportation contract.
7. Eskom officials who failed to declare their conflict of interest and/or who conducted business with Eskom:

* 334 officials have been identified who are potentially linked to entities that are Eskom’s vendors with 161 of them potentially linked to entities that received payment from Eskom.

1. Total of 134 officials were referred for disciplinary proceedings relating to conflict of interest. 116 cases have been finalised as follows:

* 67 guilty.
* 18 not guilty.
* 19 resigned.
* 4 retired.
* 8 withdrawn.
* All cases are being evaluated to determine the prospects of civil recoveries.

1. 11 Eskom officials were red flagged through lifestyle audits and referred for disciplinary proceeding. The cases were finalised as follows:

* 7 guilty.
* 2 not guilty.
* 1 resigned.
* 1 retired.

1. Eskom has opened 11 criminal cases for investigation by law enforcement agencies with the view to ensure that perpetrators of state capture are prosecuted.
2. 2 cases of corruption are before the courts, one relates to ABB and another one relates to former Acting GCE Mr. Koko.
3. The SIU has recommended the restriction of 76 vendors who are linked to Eskom officials.
4. A total of 112 referrals have been made to the NPA.

* Conflict of interest: 14 matters referred.
* Build contracts: 73 matters referred.
* Coal procurement/transportation: 15 matters referred.
* IT contracts: 10 matters referred.

1. A total of 65 referrals have been made to the Asset Forfeiture Unit.

* Build contracts – 61 matters referred with restraint orders totalling R1.48 bn obtained.
* Coal procurement/transportation – 15 matters referred.
* IT contracts – 10 matters referred.

1. The DPE is currently finalising consultations with CIPC with the view to imminently launch director delinquency proceedings against 13 former directors of Eskom.
2. 25 names of former senior executive of Eskom have been identified for inclusion into a centralised database of individuals dismissed for their involvement in state capture or who resigned from Eskom to avoid accountability for state capture. The database will be used to monitor those individuals who abused their positions of authority in one sphere of government and/ or entity, do not resurface in another.

**Remarks: Reply: Approved / Not approved**

**Jacky Molisane PJ Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**