

COMMISSION OF INQUIRY INTO STATE CAPTURE
HELD AT
CITY OF JOHANNESBURG OLD COUNCIL CHAMBER
158 CIVIC BOULEVARD, BRAAMFONTEIN

29 SEPTEMBER 2020

DAY 273



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Recording & Transcriptions

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TRANSCRIBERS:

B KLINE; Y KLIEM; V FAASEN; D STANIFORTH



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PROCEEDINGS RESUME ON 29 SEPTEMBER 2020

CHAIRPERSON: Good morning Mr Pretorius, good morning everybody.

ADV PRETORIUS SC: Morning Chair.

CHAIRPERSON: Are we ready?

ADV PRETORIUS SC: That might be putting the bar a bit high Chair but I will explain in a moment.

CHAIRPERSON: Oh are you slightly ready?

ADV PRETORIUS SC: Yes. We received last night from
10 Mr Sodi's legal representatives some of the documentation requested by the investigators since the last adjournment. It goes into some 150 pages. I have not had time to analyse it and will not deal with it today. The discovery is in any event incomplete but I will detail that by way of opening.

CHAIRPERSON: Okay no that is fine. Okay so today we will deal with what you are able to deal with?

ADV PRETORIUS SC: Yes Chair.

CHAIRPERSON: Okay alright. No that is fine. But also
20 there is the matter of Mr Zwane's evidence that we...

ADV PRETORIUS SC: Yes if we could start with that please?

CHAIRPERSON: Yes let us start with that.

ADV PRETORIUS SC: The legal representatives of Mr Zwane have been provided with documentation. It is

voluminous and they require an opportunity to go through it. They – we will assist them to do so or our investigators will assist them to do so it is not necessary for the – every page to be examined in relation to Mr Zwane.

But I understand from the legal representatives that they would require at least a week to complete that process. Of – for our part the documentation that we have yet to obtain has not been examined.

I would imagine we would need at least a week to
10 go through it as well and then this needs to be put to Mr Zwane and his evidence completed which would I presume take up to a day.

CHAIRPERSON: Well during the week of I think starting the 12th of October I am supposed to hear evidence relating to Transnet but the legal team dealing with Transnet have informed me that they think that if they were to start on Wednesday of that week into the following week that should be enough days for them. So that means we have Monday and Tuesday of that week available. So I
20 was thinking that maybe we should adjourn Mr – the hearing of Mr Zwane’s evidence to Tuesday the 13th which is the Tuesday of that week.

UNKNOWN COUNSEL: [Not speaking into the microphone].

CHAIRPERSON: Yes. Yes. Okay so you – you say – you

say the date is suitable and you say you will manage to be ready by then?

UNKNOWN COUNSEL: [Not speaking into the microphone.]

CHAIRPERSON: Okay no thank you very much. Thank you for that cooperation. Mr Pretorius is that fine with you?

ADV PRETORIUS SC: Yes Chair. To lighten my learned friend's load we will assist him in pointing him to relevant
10 pages certainly not necessary for him to read 6834 pages.

CHAIRPERSON: Yes so the relevant ones will be identified?

ADV PRETORIUS SC: Yes.

CHAIRPERSON: And they will not...

ADV PRETORIUS SC: In collaboration with them. If he wants to read them all that is fine too Chair.

CHAIRPERSON: Ja. But if the investigators and – will know exactly which..

ADV PRETORIUS SC: Yes Chair.

20 **CHAIRPERSON:** Pages are important.

ADV PRETORIUS SC: Yes.

CHAIRPERSON: Okay no that is fine. The hearing of further evidence by Mr Mosebenzi Zwane is therefore adjourned to Tuesday the 13th of October at ten o'clock.

ADV PRETORIUS SC: Thank you Chair.

CHAIRPERSON: Okay. Yes you are excused. Yes please administer the oath again to Mr Sodi.

REGISTRAR: Please state your full names for the record.

MR SODI: Pheane Edwin Sodi.

REGISTRAR: Do you have any objections to taking the prescribed oath?

MR SODI: No I do not.

REGISTRAR: Do you consider the oath to be binding on your conscience?

10 **MR SODI:** Yes.

REGISTRAR: Do you swear that the evidence you will give will be the truth; the whole truth and nothing else but the truth; if so please raise your right hand and say, so help me God.

REGISTRAR: So help me God.

CHAIRPERSON: Thank you. Thank you for coming back Mr Sodi.

MR SODI: Thank you Chair.

CHAIRPERSON: Proceed Mr Pretorius.

20 **ADV PRETORIUS SC:** Thank you Chair. Before dealing with questions to Mr Sodi.

CHAIRPERSON: We – we just confirm that Mr Sodi is legally represented is that right or not really?

ADV PRETORIUS SC: Yes his legal representatives are present.

CHAIRPERSON: Okay alright. Thank you.

ADV PRETORIUS SC: Before dealing with the questions to Mr Sodi Chair you will recall that both Mr Zulu and Mr Sodi in affidavits before the commission raised concerns as to why they had not been asked for documentation.

That was dealt with at the last hearing – last hearings in fact both of Mr Zulu and Mr Sodi. Since the appearance both of Mr Zulu and Mr Sodi further questions arising out of their evidence have been put to them and
10 request for documentation made that against the background of promises to provide information.

We have received a reply from Mr Zulu which did not provide any documentation in fact he sent us off the South African Revenue Services to get his income tax returns and to say – to put it at its lowest Chair it is a – or its highest really it is not a very helpful response to our request for information despite his earlier protestations and promises. But no doubt that can be dealt with in the course of time in relation to Mr Zulu.

20 Mr Sodi's response has been far more helpful although the timing has not been entirely ideal for the legal team. We received 150 odd pages last night which included some of the financial records of Blackhead and the tax returns of Blackhead. We still await on the promise in their correspondence the personal tax returns of Mr

Sodi. It would not be appropriate for me to deal with those today. They need careful scrutiny and we will deal with them if necessary, in the course of time. But for the moment we do have certain questions to put to Mr Sodi and by your leave I will proceed to do so.

CHAIRPERSON: Yes you may proceed Mr Pretorius. Which – which of the files should I look at? There is FS1 and FS1.1 – 1.1.

ADV PRETORIUS SC: Well Chair it is really FS1 that we
10 will get to and FS8 but later.

CHAIRPERSON: Okay alright.

ADV PRETORIUS SC: Chair for the moment I will just deal with the letter which has been placed in the bundle but the persons responsible for bundling have devised...

CHAIRPERSON: Have not had time to deal with this.

ADV PRETORIUS SC: Well they have.

CHAIRPERSON: Ja.

ADV PRETORIUS SC: But they have done it...

CHAIRPERSON: In a certain way?

20 **ADV PRETORIUS SC:** This very minute.

CHAIRPERSON: Oh.

ADV PRETORIUS SC: And I quite frankly do not understand the bundling system that has been applied for it and it is not necessary to do so. I will just place on record what is necessary.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: Mr Sodi on the 27 August a letter was addressed to your attorneys requesting certain documentation and information you no doubt were aware of that? You have to say yes.

MR SODI: That is correct, correct Chair.

ADV PRETORIUS SC: Your response was provided last night together with a bundle of documents. Your personal tax returns you have undertaken to submit in due course
10 saying they are not yet available. Correct?

MR SODI: They are available Chair. I think the point that we wanted to make here today was we have always wanted to cooperate with the commission. We continue to do so. There is however a serious concern that we have which is to put it frankly quite disheartening that there is very sensitive and private information that find its way to the journalists. And that is very concerning for us.

We met with my legal team. We said look this information is there but we need to appear before the Chair
20 and raise this concern that you know to – for instance leak private information such as the bank you know details and the transactions you know of an individual to the journalists who then make all sorts of conclusions cannot be right.

And we said we will come here and raise this matter

and say look we are quite willing to provide this information provided that we get some sort of assurance that it will not be leaked or at least make it available for inspection to the commission.

But you know we felt that we need to make this point Chair because that information that gets leaked it is quite personal and very sensitive. You may have seen Chair I am not sure on Sunday the newspapers publishing you know information that is very private which we
10 certainly did not provide to the journalists.

I do not think the bank would have provided that information to the journalists. So if it is not us and my legal team; if it is not the bank then who is it that is giving this information to the journalists? Who then tend to make their own conclusions without us having been afforded the opportunity to deal with some of the information?

It puts us at a great disadvantage because there are all sorts of perceptions that gets to be formulated and you know tarnishing people's images as well. So – so – so
20 we are cooperating. The information is there but we just wanted to put that to the Chair to see if something could be done about it Chair. Ja.

CHAIRPERSON: No I hear you Mr Sodi. Any concern about information being leaked that should not be leaked it is [00:13:28] concern. It is an old problem that we have

had that the commission has had. You may or may not remember that in 2018 in the second half of the year after the commission had started hearing oral evidence there were certain leaks to the media of affidavits that were – had been provided to the commission.

I know that one such leak related to an affidavit by Mr Agrizzi and one of the people who complained about that was Ms Nomvula Mokonyane and indeed maybe two months ago an affidavit that we have been provided to the
10 commission by Mr Coetzee the owner of The Victoria Guest House concerning Ms Mokonyane's birthday party they hosted was also leaked to the newspaper – the newspapers.

I asked the investigation team of the commission way back in 2018 when the leaks started to investigate the leaks and I think early last year there were leaks as well. And there was an investigation that was done and ultimately it could not find that anybody – it did not find that anybody within the commission had leaked the
20 information.

They had I think looked at computers of various individuals, laptops I think if I am not mistaken, they had even gone to – well I do not know if they had looked at personal laptops of people but that was the conclusion. We – there was a time when the leaks seems to have

stopped for quite some time. But from time to time they happen. It is something very concerning but I – I also do know that also leaks do happen in other institutions of matters that should not you know find their way into the media.

It seems quite difficult how to come up with a system which will make sure that no leak happens at all. My suggestion is that you and your legal team should talk to the commission's legal team about the matter. The rules
10 of the commission permit a witness to identify information that is confidential that they do not want to be made public. Your team and the commission's legal team can talk about that to see what can be done to try and find a solution.

So I might not be able to give you any guarantee but all I am saying is I hear your concern. I have the same concerns. Some investigations have been done. It does not look like it is possible to have a system that is – provides a guarantee completely. But I am saying that
20 there was a time when the leaks seemed to have stopped you know.

So I would just invite you and your legal team to look at what can be done; what application can be made that could assist in protecting information that is considered confidential and obviously the commission's

legal team will hear what your legal team has to say and take it from there. Okay.

MR SODI: Thank you Chair.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: Chair if I may add to that the problem of leaked information and its publication with the cooperation of the media has been with us for some time and it is a matter that as you say we have been alert to address as much as possible. But it seems that there are
10 those instances with their own motives who would want to – in fact breach the regulations of the commission by disclosing information unlawfully and it seems that the – certain sections of the media continue to cooperate in that. That is the first problem. We are dealing with it.

This matter was brought to my attention this morning. The legal team will address it in cooperation with Mr Sodi's legal representatives and deal with it. But I should add that the commission is not the only entity investigating these and related matters and so it is quite
20 possible that the leak emanated from other instances.

But in any event we will look at it and seek to protect any confidential information as you pointed out and I have pointed out to Mr Sodi's legal representatives there are in our rules and in the regulations mechanisms to deal with these sorts of situations.

CHAIRPERSON: Okay thank you.

ADV PRETORIUS SC: Mr Sodi last night we got a bundle of documents of over 150 pages from your legal representatives. We were also addressed early this morning in regard to certain other information and our cooperation was sought in relation to preserving confidentiality and avoiding leaks we will undergo that process.

I am not going to ask you questions on the
10 information that was given last night. I need time to go through it and understand it but for the moment I would just like to summarise certain of the information given so that at least it is on record. Your personal tax returns you say are available.

MR SODI: Correct Chair.

ADV PRETORIUS SC: But you want some assurances about confidentiality?

MR SODI: Ja.

ADV PRETORIUS SC: We can talk about that. And of
20 course your legal representatives will advise you and they can take whatever steps they wish to. Blackhead Consulting's tax returns you have provided.

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Right. You say the Joint Venture did not submit tax returns as each constituent's member

submitted tax returns individually?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Right. The audited financial statements of Blackhead Consulting Pty Limited you have also provided?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: That makes up the bulk of the documentation that you have given to us?

MR SODI: That is correct Chair.

10 **ADV PRETORIUS SC:** The audited financial statements of the Joint Venture you say do not exist?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: You were also asked for the instructions to perform work issued by the Gauteng Department of Human Settlements for the period January 2013 to August 2020. That deals with your work in Gauteng and you have attached those.

MR SODI: That is correct Chair.

20 **ADV PRETORIUS SC:** You were also asked in the evidence unearthed by the investigators there were records of payments to Mr Jimmy Tau and you have said that he was not employed by Blackhead Consulting, correct?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: Nor by yourself?

MR SODI: That is correct.

ADV PRETORIUS SC: So there are no agreements between you and Mr Jimmy Tau?

MR SODI: Well he was not employed Chair in his personal capacity. There was a sub-consulting agreement between Blackhead and one of Mr Tau's entities called [00:23:21] so the contract was between the two entities not in his personal capacity.

ADV PRETORIUS SC: We have heard evidence from Mr Mokhesi and from yourself Mr Sodi about what has been
10 called a Joint Investment in a property in Bloemfontein.

MR SODI: Correct.

ADV PRETORIUS SC: That joint investment was apparently governed by an agreement between yourself and a trust formed by Mr Mokhesi?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: You were asked who drafted that agreement and you say you cannot recall but you do think it was a collaborative effort between yourself and Mr Mokhesi?

20 **MR SODI:** Chair it definitely was. I mean I thought well and hard about it and I realised we – I got the template from the internet because I was thinking about who could have assisted. So I got a template from the internet and changed it to suit our needs and I provided a copy to Mr Mokhesi to make his comments and inputs onto the

agreement which he did and we finalised it. But certainly there was never any legal person that was involved in drafting it. It was really a layman's agreement that was drafted by the two of us.

ADV PRETORIUS SC: In relation to the drafting of the agreement with the time of the drafting of the agreement you say you cannot recall but it would be around the time it was executed you said?

MR SODI: Precisely.

10 **ADV PRETORIUS SC:** And you do not have the electronic device on which the contract was drafted?

MR SODI: No I do not.

ADV PRETORIUS SC: Nor can you recall where it was signed?

MR SODI: I – I cannot recall exactly where it was signed.

ADV PRETORIUS SC: Mr Mokhesi says you drafted it?

CHAIRPERSON: I am sorry Mr Pretorius. How come you do not remember what electronic device was used to type it?

20 **MR SODI:** No, no, no I – it was used – sorry the device that was used in an old device which I am no longer using.

CHAIRPERSON: Oh.

MR SODI: So it was on an old laptop.

CHAIRPERSON: Yes.

MR SODI: Which I am no longer using. I am using a – a

new laptop now.

CHAIRPERSON: Yes. Okay.

MR SODI: I no longer have that old laptop ja.

CHAIRPERSON: Yes.

MR SODI: So that is what I am – that is what I am saying.

CHAIRPERSON: You might not be using it but it being available or you are not using it and it is not available.

MR SODI: No it is not available. It is no longer available.

CHAIRPERSON: It is no longer available.

10 **MR SODI:** Ja.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: You were also asked to provide full details of your purchases of liquor at the TZ Lounge that is the lounge related to Mr Zulu and you say you have no longer any documents in your possession and you cannot recall precisely what liquor you purchased.

MR SODI: That is correct. That is correct ja. I...

ADV PRETORIUS SC: You have heard about the [talking over one another].

20 **MR SODI:** I mean I looked for some of the receipts but I you know I cannot find them and I mean...

ADV PRETORIUS SC: But you say you bought this liquor during 2015 and perhaps the early parts of 2016?

MR SODI: Around about that sort of ...

ADV PRETORIUS SC: And you do not have any records

relating to the delivery to your premises?

MR SODI: No I do not.

ADV PRETORIUS SC: You will recall that the evidence was initially that the liquor was delivered to your premises later we learnt that it was put in the boot of your car and taken to your KwaZulu Natal residence by yourself?

MR SODI: Chair the last time I was here we dealt with that question and I said that I collected a lot of this liquor and put it in the boot of my car. On a number of occasions
10 when I visited the lounge and that testimony still remains. But I you know put this in the boot of my car as Mr Pretorius is saying to my residence.

ADV PRETORIUS SC: In any event Mr Sodi we will look at the documentation that you have provided, the answers that you have provided to our questions and we will deal with them at some future date if that becomes necessary.

MR SODI: That is fine.

ADV PRETORIUS SC: The investment in the Bloemfontein residential property I have been asked by the investigators
20 to ask you in turn whether you invested in any other residential properties in Bloemfontein.

MR SODI: I did Chair. There is one property in the town of Parys it is a smallholding that I invested in. Almost similar – a similar arrangement to the arrangement that I – that I have – currently have with Mr Mokhesi. There are

two of us in that transaction and the understanding from Day 1 is being that we going to contribute equally for the purchase of the property. I paid my 50% of the property. I can provide records and evidence to that effect. My partner provided some funding but he has not reached his full 50%. But that property is still there in Parys.

ADV PRETORIUS SC: What is notable about the transaction between yourself and Mr Mokhesi is that there would be no evidence in the registry office of any link
10 between yourself and the property. It went via a trust, correct?

MR SODI: That is correct Chair.

ADV PRETORIUS SC: And you say there are similar arrangements where you would have an interest in a property but it would not be registered wholly or partially in your name?

MR SODI: No, no I am saying the property that I am referring to in Parys, Chair, has not yet been registered in our names because it is not paid for as yet. So the
20 arrangement was to pay bit-by-bit.

As I said, I paid my 50% and my partner is still making efforts. I know at some stage, she was out of employment and that sort of hindered his ability to be able to meet his obligations.

But certainly, that is the only property including the one

that I invested in with Mr Mokhesi where I went into partnership.

Other than that, all the other property investments that I am involved, it is just myself.

ADV PRETORIUS SC: They are registered in your name or are they registered in names of trusts?

MR SODI: pretty much trusts. There is maybe one or two that are registered in my name but the bulk of the properties that I am invested in are registered in the name of a trust.

10 Ja.

ADV PRETORIUS SC: If the investigators require or want to obtain information about properties in which you have an interest via a trust, you would be willing to provide that information?

MR SODI: No, that information can be made available even today. It is available. It is there. It is not... it will not take long.

CHAIRPERSON: I got the impression from Mr Mokhesi's evidence that you might be involved in other property
20 business, maybe property development ...[intervenes]

MR SODI: I am.

CHAIRPERSON: ...in... and that you... there may be numerous properties which you have. Is that right?

MR SODI: Chair, I am just thinking on top of my head.

CHAIRPERSON: Ja.

MR SODI: We could be talking in the region of maybe 20 or so properties.

CHAIRPERSON: Yes, yes, yes.

MR SODI: Or even more.

CHAIRPERSON: Or even more.

MR SODI: H'm.

CHAIRPERSON: Okay.

MR SODI: Ja.

CHAIRPERSON: And based on what you have just said a
10 few minutes ago. The one in which you are involved with Mr
Mokhesi and the one that you have just been talking about
which is not registered in your name yet ...[intervenes]

MR SODI: Ja.

CHAIRPERSON: ...are the only two where you went in with
a partner or somebody.

MR SODI: That is correct. That is correct.

CHAIRPERSON: Yes, yes.

MR SODI: And I can certainly explain why the first one, the
Parys one.

20 **CHAIRPERSON**: Yes, yes.

MR SODI: The intention behind their position of the
property. It is, as I have said, it is a small firm. The
intention was to get into farming. The partner that invited
me into this venture, has got some knowledge, offer me.

And he approached me and he said: Look, you know,

would you not want to diversify your business and look at forming? And I was keen. I looked at the investment. It was not a massive investment.

And you know, we agreed then that we will acquire that farm in Parys and we will then start buying livestock which we did.

I think one of the questions that was posed to me by the investigators was a transaction where I used cows as a reference.

10 So that was, you know, evidence relating to what we were intending or what we still intend to do with regard to that property in the Free State.

CHAIRPERSON: Well, maybe I should ask this question to you. I asked... I mentioned to Mr Mokhesi. It seems to me that based on the fact that you are involved... you are very involved in property development or in property business which you do on your own.

It seems to me and also bearing in mind the terms of the agreement between yourself and Mr Mokhesi's trust, that you
20 really did not need him. If you needed property, you could go on your own and buy a property.

MR SODI: I could have gone on my own.

CHAIRPERSON: Yes.

MR SODI: But I explained here Chair that if one looks at the bulk of my property investments, it is mostly in Gauteng

and the Western Cape which are areas that I know quite well. There is probably one property in North West.

But there are certain areas that I am not very familiar with such as the Free State or Bloemfontein to be specific. And when he approached me with this potential investment I said: Look, here is someone who lives in the area. He knows it better.

And because I am not very familiar with this area, I am quite keen to into an investment with him. And that is what
10 happened.

You know, I... for me it was someone who is familiar because, as I said, when he approached me he said: Look, there is a new development that is coming up. It has got huge potential for growth.

The returns, you know, in a number of years are likely to be very good. The upside will be very good. And I believed him. And my gut felt... told me that, you know, this person could be right.

I did my own little research as well and I was convinced
20 that, you know, this could be a profitable investment opportunity for both of us. And I agreed to invest with him.

CHAIRPERSON: But of course, what you are telling me about, relates to getting information or knowledge about whether buying property in a particular area would be a good investment. That is what you are talking about. So you are

saying, the knowledge, his local knowledge was... you thought was useful to you for that purpose. Is that right?

MR SODI: Precisely. Because he... I mean, he knew... he lived in the area.

CHAIRPERSON: Yes.

MR SODI: And one as an investor always look at, you know, areas where you know there is likely to be a good investment.

CHAIRPERSON: H'm.

10 **MR SODI**: You know, no one wants to invest in something which does not grow, which will not be able to give you better returns.

CHAIRPERSON: H'm.

MR SODI: Now, as I have just said now that that particular area, I am not familiar with. And certainly if someone comes along and say: Listen, I know this area. I live here. I have got better information or better knowledge about the area.

CHAIRPERSON: H'm.

20 **MR SODI**: And my view is that if we do one, two, three we will get better, you know, upside.

CHAIRPERSON: H'm.

MR SODI: You know, if my gut tells me it is the right way to go and if I do my research and it says, you know, that is correct then I will go for it.

CHAIRPERSON: H'm.

MR SODI: And that is exactly what happened in this case.

CHAIRPERSON: Yes. Of course, you could get that knowledge or information or even better information from an estimator(?), is it not?

MR SODI: Of course you can.

CHAIRPERSON: Yes, yes, yes.

MR SODI: Ja.

CHAIRPERSON: Okay Mr Pretorius.

ADV PRETORIUS SC: At the time you entered into this
10 arrangement with Mr Mokhesi, Mr Sodi, you knew that he was looking for a property.

MR SODI: No, I did not know that he was looking for a property Chair ...[intervenes]

ADV PRETORIUS SC: You must have known, surely ...[intervenes]

MR SODI: He came to me, he approached me and he said... and this was based on the discussion that we have had before where he knew my background, you know, and you know, what I was doing.

20 And he said, his words were that: Would you not want to invest in a property? There is a new development. It is about two, three years old. It is going very fast.

And you know, you being a property investor, I thought I should present this opportunity. I am looking at investing as well and I am looking for a partner that can invest with me.

I looked at, as I said, and you know I was confident that this could be potentially a good investment. And ...[intervenes]

ADV PRETORIUS SC: As I... sorry.

MR SODI: And you know, based on the growth in the past sort of five years since we have invested in the property, he was correct, you know. And I am quite happy with that investment.

And I am sure that in year seven, I will be even more
10 happier because our predictions are that, you know, that it will be profitable for both of us.

So to answer your question. Mr Mokhesi approached me as a potential investor and the outcome of that is yes I am willing to co-invest with you and then let us do it. And that is exactly what then happened.

ADV PRETORIUS SC: Mr Sodi, the question was. He was looking to invest in a property and looking for a property. You cannot look to invest in a property without looking for a property. And that is capable of a yes or no answer. You
20 knew that.

MR SODI: As I said Chair. Mr Mokhesi approached me as a potential investor to invest with him in a property and that is what happened. We had discussions and ultimately we agreed to invest in a property.

ADV PRETORIUS SC: Mr Sodi, I am not going to have a

semantic argument with you because I want to ask another question.

MR SODI: That is fine. Ja.

ADV PRETORIUS SC: Did you know that he could not raise the full purchase price by way of bond?

MR SODI: You see that is a direct question which I appreciate Chair. Thank you for the direct question. I did not know that he could not raise a bond of a particular amount.

10 That information, certainly, was not provided to me. You know, I heard it when he was here giving evidence that he could not raise bond because apparently he was blacklisted by SARS. I never had that information.

All that he discussed with me was that: Listen, there is a potential, you know, got an opportunity from a property point of view. Are you willing to co-invest with me? And that is what I did.

ADV PRETORIUS SC: Did you know he was going to live in the property?

20 **MR SODI**: I, at the time when we initially had this discussion, I did not know that he was going to live in the property. We were talking about a potential, you know, rental income.

But eventually, we settled on him staying in the property and I was comfortable with that because that produced in

writing in terms of the agreement that we had that certain things had to be in place.

And just maybe to expand on that. Mr Mokhesi... I do not blame him because some of these things happened a few years ago.

We actually agreed that instead of him paying rent, he must use those funds which was about, I think at the time we are talking about six or seven thousand rands per month but it was somewhere around there.

10 We agreed that he must use that as a top-up of the bond repayments, okay, instead of paying rent. Let him use that as a top-up so that we reduce the repayment period of the bond. That was an agreement that we had.

But like I said, you know, perhaps he does not recall that, that conversation. And you know, I cannot blame him because this happened, as I aid, a few years ago.

But that certainly the agreement that I had with him. And you know, over and above that, the agreement was that he will be causing this payment of the property.

20 He must be responsible for other costs such as security, such as you know, insurance costs, rate and levies and so forth. So in actual fact, I think it was a bit more honours on him to make sure that all those things are in place, you know.

And that is that aspect dealt with the rental issue and I

was quite happy that he can reside in the property for as long as... for as long as he pays that amount that we agreed on.

ADV PRETORIUS SC: For completeness sake, Mr Sodi. The agreement does say that the trust shall raise a balance of one million rand required to purchase the property and Blackhead shall contribute R 650 000,00 to the acquisition of the property. Correct?

MR SODI: That is correct, Chair.

10 **ADV PRETORIUS SC:** That is the property he lived in. Correct?

MR SODI: That is the property in question, sir. Ja.

ADV PRETORIUS SC: Clearly, the whole agreement was to his benefit as well as to your benefit as an investment.

MR SODI: I would not say it was to his benefit Chair. It was a transaction that we both went into and there were obligations from both parties in terms of what needed to happen, what are the responsibilities of each party was supposed to be.

20 **ADV PRETORIUS SC:** Mr Sodi, why would one enter into a profitable investment other than to benefit from it? You yourself said it was a profitable prospect and the intention must have been to benefit from it.

CHAIRPERSON: I think he admitted. I think Mr Sodi did say it was to Mr Mokhesi's benefit. I think he accepted it

was to his benefit as well but he... that is what he said. Is that correct?

MR SODI: I said the whole idea for entering into that investment ...[intervenes]

CHAIRPERSON: Yes.

MR SODI: ...was so that, ultimately, when we dispose of the property or later on, that we will realise our return on investment.

Otherwise, Chair it would have been futile to get into an
10 arrangement like that because first and foremost, it was premised on that, that it is an investment.

And one, naturally, expects that when invest, you expect to get you know an upside. You know. Which is exactly what is happening in this case.

ADV PRETORIUS SC: Correct. And that investment required the participation of yourself and himself. You described that.

MR SODI: That is correct. Represented, if I may add Chair, by the trust.

20 **ADV PRETORIUS SC**: The involvement with Mr Zulu and TZ Lounge, do you know who owns TZ Lounge and who owned it at the time in 2015/2016?

MR SODI: Chair, Mr Zulu mentioned that he has a lounge, that he owns a lounge and that is what I know. As to who owned it before, I would not know. I would not have that

information but I knew him to be the owner of the lounge, ja.

ADV PRETORIUS SC: So you say that you understood Mr Zulu to be the owner of the lounge at the time you repaid the debt to him?

MR SODI: That is correct.

ADV PRETORIUS SC: Of course, if he was not the owner of the lounge, the debt would have been repaid to someone other than the owner of the lounge.

MR SODI: That is correct, Chair.

10 **ADV PRETORIUS SC:** The investigators Mr Sodi have done some research and that is summarised in the pages of the investigators' report. It would also be summarised in the documentation you have given us.

But without going into exact detail, it seems that blackhead had a turnover, at least during 2015, of over a billion rand. Does that record with your recollection?

MR SODI: That could be correct, Chair.

ADV PRETORIUS SC: And in 2014, it also had a turnover of over a billion rand.

20 **MR SODI:** That is possible correct, Chair.

ADV PRETORIUS SC: They have also established that Blackhead received payments from the Department of Human Settlements or the departments of Human Settlements in excess of a billion rand over the ten year period, over eighteen year period up to 2019. Correct?

MR SODI: That is possible correct, Chair. I think maybe to expand on that. A lot of the work that we do is related to Human Settlements and ...[intervenes]

CHAIRPERSON: Relates to...?

MR SODI: Human Settlements.

CHAIRPERSON: Human Settlements?

MR SODI: Ja.

CHAIRPERSON: Okay alright.

MR SODI: So it is unsurprising that, you know, you would
10 find that the bulk of the work that we do or you know the income, rather, our revenue generated comes from the Department of Human Settlements.

ADV PRETORIUS SC: Would you look at FS1, please?
Page 404.

CHAIRPERSON: Did you 404, Mr Pretorius?

ADV PRETORIUS SC: I am sorry, Chair. If you would bear with me a moment. What happened this morning ...[intervenes]

CHAIRPERSON: Ja.

20 **ADV PRETORIUS SC**: ...was because of the introduction of the 150 odd pages. Certain sections of FS1 had to be moved into a new file, FS1.1.

CHAIRPERSON: Ja.

ADV PRETORIUS SC: So if I may refer to FS1.1.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: Do you have FS1.1. there, Mr Sodi?

MR SODI: I do.

ADV PRETORIUS SC: If you could go to page 404.

MR SODI: Okay.

CHAIRPERSON: I do not have 404 on FS1 or is this FS1-1 or 1.1?

ADV PRETORIUS SC: Yes, Chair.

CHAIRPERSON: Okay I have got it. That is just FS1.1. Okay.

10 **ADV PRETORIUS SC:** You say in paragraph 48 Mr Sodi:

“From time-to-time, I have made donations to the ANC because I am a proud member of the ANC. I will continue to support the ANC.”

That was a correct statement of fact, is it not?

MR SODI: It is a correct statement, Chair. Maybe I must qualify that. I am not a card carrying member of the ANC but I support the ANC.

ADV PRETORIUS SC: Then in paragraphs 17 and 18 of your further affidavit which appears at FS1.1.505, you make
20 similar statements.

MR SODI: Which page are we at?

ADV PRETORIUS SC: 505. Further along in the bundle.

MR SODI: Correct.

ADV PRETORIUS SC: Paragraph 17, you say in the third line:

“I donate substantial amounts to the ANC.”

And in paragraph 18, you say:

“As I will set out in more detail below, 2014 was a particularly successful year for Blackhead and I recall having made substantial contributions to the ANC’s election campaign.”

Those are both correct statements of fact?

MR SODI: Correct, Chair.

ADV PRETORIUS SC: If you would look please at FS8,
10 page 53.

MR SODI: [No audible reply]

ADV PRETORIUS SC: There has been an analysis of Blackhead’s bank statements and a number of payments marked ANC. And for the period March 2013 to March 2019, amongst others, the following payments have been made in the following amounts and I want to refer you to that table on page... FS8, page 53. Who is Bongani More?

MR SODI: He is a business associate of mine.

ADV PRETORIUS SC: Was he not the Deputy Director
20 General of the Gauteng Department of Human Settlements?

MR SODI: He was at some stage. According to my recollection, he resigned about, somewhere around 2014.

ADV PRETORIUS SC: Why would you pay him R 7.5 million?

MR SODI: As I said Chair, he is my business associate.

When he left government, we agreed on getting into business together and he was very clear.

In fact, when we spoke, he said: Look, I want to get into the private sector. I want nothing to do with government. So whatever opportunities that we look at must be in the private sector and that is exactly what we did.

So our first opportunity was in investment in a, call it a hotel development in Cape Town where we acquired about, I think it was about 20% through an entity where we had other
10 partners.

And that was followed by an acquisition of a stake in another private opportunity which in this case was Melrose Arch. That opportunity was funded by the PIC and we are still involved in it.

ADV PRETORIUS SC: I can cut that short for you Mr Sodi. Are you saying these payments were made to him when he was no longer in government?

MR SODI: The bulk of this... as far as I am concerned. And I need to say Chair but, you know, I need to thoroughly go
20 through some of this, you know, and look at the dates on which some of these payments were made because I never got to...

You know, because of the restrictions of time, never got to analyse some of these dates and so forth. But I am confirming that Mr More is currently a business partner of

mine.

And we are not together with him. Not doing any business with government. It is all private sector.

ADV PRETORIUS SC: Alright. Well, perhaps we will ask you to assist us in that regard Mr Sodi.

MR SODI: No problem.

ADV PRETORIUS SC: And follow-up at a later date.

MR SODI: No problem.

ADV PRETORIUS SC: Who is Colin Pitso?

10 **MR SODI:** He is someone that I got to know very well. I met him a number of years ago and he introduced me to his dad who is also in the construction industry. And that introduction led to myself and you know his dad through an entity called KP Construction, getting involved in some of the construction projects.

ADV PRETORIUS SC: I am told by our investigation team that Colin Pitso is Nomvula Mokonyane's chief of staff?

MR SODI: That is not correct. He was at some stage. Nomvula Mokonyane's chief of staff but that is not the case
20 anymore.

ADV PRETORIUS SC: When were these payments made? Do you know?

MR SODI: Again, sir. I... this was a number of years ago but I will need to again go through my bank and check the date so that I provide you, Chair, with the accurate

answers.

ADV PRETORIUS SC: Why would you pay him R6.5 million?

MR SODI: I have, Chair, just explained that the payment was not to him, I used his name as a reference. The payment was to Kepi construction which is an entity that is owned by his father that I did business with. So that payment relates to Kepi construction, not him as an individual.

10 **ADV PRETORIUS SC:** There is also a payment ...[intervenes]

CHAIRPERSON: Well, I am sorry, just that one, do you mean that the payment was not made into his account, into his personal account but into some entity's account but you used his name as a reference?

MR SODI: That is correct, Chair.

CHAIRPERSON: Okay.

MR SODI: I obviously knew him better than Kepi and I just used that as a reference, his name.

20 **ADV PRETORIUS SC:** Chair, this is information given to me by the investigators. Before taxing the witness, Mr Sodi, in regard to the details of these payments, my own view is it is necessary to do some further research.

CHAIRPERSON: Yes, ja.

ADV PRETORIUS SC: Otherwise we are just going to

waste time.

CHAIRPERSON: Ja, I think let that be done first, ja.

ADV PRETORIUS SC: Because my information is that the payment was made to Colin Petzer(?), if that not correct, as Mr Sodi points out, I should not be putting it him.

CHAIRPERSON: Yes, ja, I think let there be further investigation.

ADV PRETORIUS SC: Let me just ask a few more questions and then put a proposition to Mr Sodi.

10 **CHAIRPERSON:** Ja.

ADV PRETORIUS SC: The payment reflected here is a payment to Diane/Anoj Singh. What would that be about?

MR SODI: Chair, again, I have got absolutely no idea as I am sitting here.

CHAIRPERSON: Yes.

MR SODI: It is a payment of R10 000.

ADV PRETORIUS SC: But as I understand it, Mr Sodi, you would be willing to sit down with the investigators, go through these payments.

20 **MR SODI:** Ja, absolutely. You know, I do not, Chair, want to sit here and start giving speculative answers, you know?

CHAIRPERSON: No, no, that is fair enough.

MR SODI: I am [inaudible – speaking simultaneously] if I do.

CHAIRPERSON: Ja.

ADV PRETORIUS SC: The payment to Mokoena, Nosizwe

Zuma, do you know anything about that? R1 million?

MR SODI: Ja, this is a friend of mine, you know, but then again, you know, I cannot remember why I paid him this amount but he is a friend of mine.

ADV PRETORIUS SC: He is a sports personality apparently, Mr Mokoena.

MR SODI: He is, correct, ja.

ADV PRETORIUS SC: Alright. Linda Ncobo?

MR SODI: Yes it is again a friend of mine.

10 **ADV PRETORIUS SC:** Also, someone involved in the administration in Gauteng Housing and COGTA.

MR SODI: Used to be but not anymore.

ADV PRETORIUS SC: Why would the payment of 2 million be made, do you know?

MR SODI: This payment was made as a loan to Linda. After she left she was struggling.

ADV PRETORIUS SC: So this is a loan to a previous official in a housing department.

20 **MR SODI:** Well, who is currently a friend and we are exploring as well, we are exploring business opportunities together.

ADV PRETORIUS SC: Alright. There are payments made in respect of ANC tee-shirts, volunteers, etcetera. Would that amount of R3.5 million be paid – had been paid to the ANC at the time of the elections, 2014?

MR SODI: Some of it, Chair, was payments made directly to the ruling party, some of it would have been service providers, for instance that in this case I am making an assumption, that some of that payment went to service providers or companies that were printing tee-shirts that were distributed to, you know, the volunteers and so forth.

ADV PRETORIUS SC: Yes. The payment of R371 553 to Paul Mashatile, what is that about?

MR SODI: That is payment that was made directly to the
10 ANC.

ADV PRETORIUS SC: For what reason?

MR SODI: From time to time, Chair, you know, we get requests to assist, you know, with donations and that happens. It could be, for instance, you know, to pay maybe for a venue, for the lekgotla, it could be, you know, to assist with payment for salaries but that happens on a regular basis and different people would approach me and ask to help and where I am able to assist, then I assist.

ADV PRETORIUS SC: So members of the ANC, for
20 example, would know that you are in support of the ANC, would know you are a successful businessman and would approach you for a donation?

MR SODI: A lot of times, yes. But, you know, what would happen, ask for donations and I assist wherever that I can.

ADV PRETORIUS SC: And Pinky Kekana, who is she?

MR SODI: She is someone that I consider a sister that I am close with. She is currently in government as of last year, I think, with the new administration.

ADV PRETORIUS SC: Yes, she is a Deputy Minister.

MR SODI: She is a Deputy Minister, ja.

ADV PRETORIUS SC: If you go over the page – well not, you do not have to go over the page, I do. Mr Nxesi?.

MR SODI: He is a Minister in the current administration and he is unfortunately one of those that was mentioned in
10 the newspaper articles that I referred to and I spoke to him yesterday to check if he was given opportunity to respond, he said no, no one called me but, you know, there was mention of me and an amount of 45 000 that I received and said had anyone taken the trouble of calling to say Mr Nxesi, we see you received a particular amount, can you explain? He would have given them the proof of payments.

There were two payments, one of 15 000 and which was directly paid to a school of, you know, of a you know child, underprivileged child and that I paid, coming from
20 his request.

And the second payment was 30 000 which was for accommodation also for underprivileged kids which was paid to an institution.

So those are the two payments totalling 45 000 but, you know, the impression unfortunately gets created, you

know, with the media that there is a current sitting Minister who received some money.

ADV PRETORIUS SC: Well, let me just ...[intervenes]

MR SODI: So that is what the payment was for.

ADV PRETORIUS SC: Yes, so they have been explained, you have had an opportunity to explain them now.

MR SODI: I am explaining after the fact, which is unfortunate, Chair. I am explaining after the information was widely published.

10 **CHAIRPERSON:** After the publication of the article.

MR SODI: Exactly, yes.

ADV PRETORIUS SC: Well, let me just place on record, I should have done it earlier, that very often when the Commission is about to lead evidence suddenly we find that that evidence appears in the newspaper prior to us leading the evidence not as a result of any lead from the Commission but from other sources who clearly might have mischief in mind but we will check our sources anyway in that regard.

20 **MR SODI:** Ja ...[intervenes]

ADV PRETORIUS SC: But I do not want to debate that with you.

MR SODI: Correct, correct.

ADV PRETORIUS SC: It is a matter which we must investigate.

MR SODI: Ja, ja.

ADV PRETORIUS SC: The payment Thulas Nxesi we have dealt with. Zizi Kodwa?

MR SODI: Zizi is a friend that I have known for a number of years and I have made payments to him in his personal capacity before he joined government when he still worked for the ANC. And that can be verified. He is currently the Deputy Minister of Intelligence, I think, but this was – it was payment that I made to him as a friend where he
10 requested for assistance on a number of times and, you know, a lot of it, Chair, was related to - you know, for instance, he will say we have not been paid on time this month from Luthuli House or there is delays in payment. I mean, it is still happening even now and he would ask for some assistance because maybe he has got debit orders that have to go through and, you know, there will be a payment of 20k there, you know, 30k, 50k, that is what happened and the accumulated amount I think comes to 174. But those are the payments that I made to a friend.

20 **ADV PRETORIUS SC:** And the final payment?

MR SODI: The final payment again was – it went directly to the ANC account and that particular individual there was the Treasurer General of the ANC at the time.

ADV PRETORIUS SC: Well, we do not need to – we should be consistent, that is Mr Nxesi. You say it was paid

to him in his capacity as Treasurer General of the ANC.

MR SODI: It was paid to the ANC at the time that he was the Treasurer General and he would have been the one that would have approached me at the time to ask for assistance and that is why his name is used as a reference.

CHAIRPERSON: And that was just about 6.5 million, hey?

MR SODI: Ja, that is...

ADV PRETORIUS SC: I understand from your statement
10 and we can go to the detail, if necessary, but I would like to put the question to you as a general question that often when you do business you obtain a contract or you used to contain a contract and ensure through the appointment of subcontractors the execution of the contract. In other words, often you did not do the work yourself but as a manager and as a supervisor you would ensure the execution of the contract with your own expertise. Do I understand it correctly that that was a way of doing business?

20 **MR SODI:** Well, Chair, I do not think it is entirely correct to say that we did not do most of the work. In any – most of the projects, let me not say any, but most of the projects that we were appointed on, we did most of the work. There are instances where you require a specialist and if you do not have that sort of knowledge of skill in-house you would

then subcontract a specialist.

To give you a case in point – and I do not want to open a can of worms again, Chair, with the whole asbestos thing, is that you would do the work, for instance, the auditing and the assessment and so forth but when it came to the actual handling because we do not – we are not specialists, you would then get a specialist to handle that part and then you will charge a project management fee but you would find that in most cases project management
10 fee is about 20%. You know, as a general rule of thumb, it is about 20%, the bulk of the payment would go towards the specialist.

And when, for instance, I started my business, that is Blackhead Consulting, it started as a project management company and then it grew. Then we appointed engineers, we appointed civil engineers, we appointed structural engineers, we appointed environmentalists so that we then get to do the bulk of the work ourselves but certainly when we started we would
20 subcontract a lot of the skills and maybe retain the 20% but 80% of that would then be given – would then be paid out to specialists.

So, you know, again, if you - Mr Pretorius here spoke about the turnover for Blackhead in 2014 and 2015 and someone could be sitting there and say wow, this guy

is actually making a lot of money but if you go deeper than you realise that a lot of that, anywhere between 70 and 80% was paid to specialists and then we retain the project management fee but over the years we grew and we obviously, you know, added some of the core, you know, specialists within the company so that we, as I said, we tend to do a little bit more than just being a project management company. So typically that is how the industry operates, you know? And as I said, that is a rule
10 of thumb if you know the project management fee of 20% and the bulk of it going to specialist.

To give you another example, if you – Chair, you – there are a lot of for instance construction buildings, you see a lot of them as you are driving and you would realise that pretty much maybe nine out of ten of those buildings, there is always a board which tells you that so and so is the construction manager, so and so in the electrical engineer, this one is the quantity surveyor, this was is a Health and Safety Act and so forth and so forth.

20 You hardly find – and I have never seen it, I have never seen it, a situation where, for instance, one building, one company has got all the different specialists and they are doing everything themselves. I have certainly never found it. I have never seen it.

I mean, even with a normal house you would

appoint a builder but you would find that someone who is doing plumbing, it is a different company because they specialise in plumbing. Someone who is putting up the staircases, it is a different company because they specialise in putting staircases. Someone who is doing electrical, it is not the builder but it is a different company which is specialising in electrical, you know?

So but you have one point of contact and that point of contact is the builder and when you pay, you do not pay
10 ten or eleven different subcontractors, you pay one builder, one person, who then will deduct their project management fees and pay these other, you know, specialists. So that is typically how the industry works and it is no different in our case as well. Chair, I hope I clarified.

CHAIRPERSON: Yes.

MR SODI: So I do not want – again, this guy has made a billion rand, no. It is never like that. The bulk of it is paid to the specialists, it is never sitting with us.

CHAIRPERSON: Mr Pretorius?

20 **ADV PRETORIUS SC:** You described the manner in which Blackhead did business at FS1509. Would you go there please?

MR SODI: I have got it.

CHAIRPERSON: FS1 or FS1.1, Mr Pretorius?

ADV PRETORIUS SC: It is FS1.1. I am sorry, Chair.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: We can go through the detail, if you like, but I understand this to be consistent with my earlier question to you, Mr Sodi, that a budget would be developed by the relevant department, you would ensure that the project was completed on time within the budget and you would have, as your profit, the difference between the budget as agreed and the cost of executing the project by Blackhead Consulting CC and you say in paragraph 40:

10 “By virtue of the foregoing, Blackhead Consulting
 CC contracted with the department in question and
 it in turn subcontracted the various third parties
 referred to above.”

That is what I was putting to you.

MR SODI: Okay.

ADV PRETORIUS SC: That was the practice, it seems.

MR SODI: And this is, Chair, certainly referring to right at the beginning before the company grew to what it is today, when it was still, you know, a CC and ...[intervenes]

20 **ADV PRETORIUS SC:** Just by way of summary, Mr Sodi, it may be necessary to come back to it as we go through the detail of the information you have now given us and our own investigators' researches into the finances but it seems that for the asbestos contract at least Mr Mpambani was able to unlock opportunities to obtain a high value

contract, correct?

MR SODI: Okay, so Chair, we are going back to that unlocking opportunities. As I said previously, that he was instrumental in making sure that we get appointed, that his role was to, you know, engage with the relevant officials as he had said, you know, take the proposal and submitting and so forth. That was his role.

With regard to the high value contract, I had explained here before that the ultimate fee that we
10 eventually settled on with the department was to a large extent based on the fee that we got in Gauteng. There was the realisation that because the Free State is [inaudible – speaking simultaneously]

ADV PRETORIUS SC: Mr Sodi, I do not want to interrupt you unnecessarily but your answer – I am really not looking to deal with the amount that is made, that is a matter of record already, it does not bear repeating.

MR SODI: Ja, so I suppose what I am trying to deal with is your statement that Mr Mpambani's role was to unlock
20 the project ...[intervenes]

ADV PRETORIUS SC: And you said that happened.

MR SODI: For a high value project. So I was dealing with ...[intervenes]

ADV PRETORIUS SC: No, no, no, I did say high value but we know that evidence, we have dealt with it exhaustively

over days.

MR SODI: Okay.

ADV PRETORIUS SC: But if you – I cannot stop you answering I am just suggesting politely ...[intervenes]

MR SODI: No, no, no, I – ja, okay, that is fine.

ADV PRETORIUS SC: That when you go ...[intervenes]

MR SODI: I mean, if we are on the same page then I am happy, I just do not want to make assumptions that I understand what Mr Pretorius ...[intervenes]

10 **ADV PRETORIUS SC**: Well, we are not going to submit, I can assure you, anything that is not based on evidence already given.

MR SODI: Okay.

ADV PRETORIUS SC: Okay?

MR SODI: That is fine, that is fine.

ADV PRETORIUS SC: But what is a feature of the asbestos contract which is repeated, certainly in the Free State, in the building contract and in the Estina arrangements and contracts is that these contracts were
20 entered into having avoided or having not followed proper competitive bidding processes. It seems that the failure to follow a proper competitive bidding process in the asbestos contract is not an isolated example, certainly in the Free State, it happened more than once, it is a pattern.

MR SODI: Are you inviting my comment?

ADV PRETORIUS SC: Ja.

MR SODI: Chair, I certainly cannot speak for the Estina project nor the housing project but I can certainly speak for the asbestos project and I have said it previously when I was here that my understanding, which is still my understanding even now, was that there is a provision from Treasury Regulation 16A.6 that was utilised in our case to get appointed by the Department of Human Settlements.

It has been used before, we are certainly not the
10 first company to be appointed using that provision so it is there and I think we have acknowledged, you know, here that it is a provision, it is made, it is there, we can rely on it.,

So with regard to whether that was followed properly, you know, in terms of making sure that all the checks and balances are complied with, all the boxes are ticked, that I would not have known because you would agree with me, Chair, that would have been the responsibility of the supply chain officials.

20 So I certainly would not have - you know, I do not have knowledge about what needs to be checked or what needs to be in place. As far as I am concerned, we complied with whatever that we needed to comply with and that is my comment, Chair.

ADV PRETORIUS SC: Yes, we will go to that. The first

point, Mr Sodi, is that it is common cause and not disputed by anybody, including yourself, that there was no competitive bidding process that preceded your appointment in the Free State.

MR SODI: Correct..

ADV PRETORIUS SC: Whether the processes actually used were (a) genuine and (b) lawful is a question that we have examined exhaustively and we are in position to make our submissions to the Chair on that. It is not – it is a
10 legal matter that I do not think would be fair to tax you with.

MR SODI: Correct, ja.

ADV PRETORIUS SC: But what also seems to be part of the pattern is that money goes back to officials either in joint deals or in other forms and the ruling party benefits from these deals as it did from all the work that you did. Now whether there is a link or not is a matter for further investigation in this case but it may be a matter that the chair would want to comment on in due course.

20 **MR SODI:** Okay.

ADV PRETORIUS SC: But the very community from the which the work comes in this form benefits from the profits made. What do you say about that?

MR SODI: I really do not have much of a comment there, Chair.

ADV PRETORIUS SC: But it [inaudible – speaking simultaneously]

MR SODI: Suffice to say that I have stated even in my affidavit that I grew up supporting the ruling party and it is really the only party that I knew growing up and that I continue to know. I am not saying I do not know the other parties but it is the party that I believe in.

I also believe that a lot of the opportunities that we have as young, especially black people, where
10 opportunities that were created by the ruling party to a large extent. I voted in the 1994 elections because all of us were quite excited that the for the first time we have an opportunity to vote for whoever that we want as our leader and we did so. It was a moment of great joy and victory, you know, when, you know, the results were announced. I continued subsequent years during the elections to vote for the ANC and to support wherever possible and the requests sometimes, when they come – the request may come and say listen, we owe a service provider, for
20 instance, 300 000, they catered for a function at one of our conferences, are you able to assist?

I may say well, I can assist but I have only got for instance 50 000 or I have got 100 000. That continues to happen even now, Chair, and I – because I grew up in the movement and a lot of the people that some of them are

now in leadership positions, people that I have known for many, many years.

So the fact that there would have been some donation from either myself in my individual capacity or from one of my entities, I do not see that as strange or as fraudulent or as corrupt. I do not – I certainly do not see it that way and you know unless someone convince me otherwise, but I don't think there is any crime in one supporting a party of his choice. The fact that a lot of the
10 work that I get is from government I find that a bit overreaching to create the link between my donations to various and the work that we get, I think it is a bit overreaching to put it bluntly.

ADV PRETORIUS SC: Well lest I be accused Mr Sodi, which I may well be, of generalising prematurely what I am putting to you is that there are indications at this stage at least in the asbestos story, which may be replicated in other business dealings between private individuals and government, that indicate benefit to the ruling party that
20 has as you say created the opportunities that you have talked about. Indications at this stage, perhaps in time the bigger picture will be put together but I just wanted your views on that, thank you.

Chair those are the questions. A further investigation will take place, whether that will require

further evidence or not is yet another question. It is not certain that it will but that's a decision that I won't make.

CHAIRPERSON: Yes, okay. And there is no ...[intervenes]

ADV PRETORIUS SC: No further witnesses, the further witness that is the matter that has been postponed. That would not have finished today anyway.

CHAIRPERSON: Yes, okay, maybe I should put a few questions to Mr Sodi before we adjourn so that when we
10 adjourn we adjourn for the day.

Mr Sodi going back to the arrangement between yourself and Mr Mokhesi or his Family Trust it looks like it was a once off partnership, once off in the sense that there was no intention of continuing and getting other properties that the two of you would be involved in jointly, is that correct?

MR SODI: That's correct Chair.

CHAIRPERSON: Yes.

MR SODI: Ja.

20 **CHAIRPERSON:** The other property that you told me about where you are going into partnership with somebody else, you said that one has not been registered in your name.

MR SODI: As far as I know.

CHAIRPERSON: Yes.

MR SODI: It hasn't.

CHAIRPERSON: But I take there is some agreement that has been concluded between the two of you.

MR SODI: There is ja.

CHAIRPERSON: Yes, do you remember when that agreement was concluded? More or less.

MR SODI: Again Chair I think it should have been around 2014 maybe somewhere around there.

CHAIRPERSON: 2014, oh it has been quite a lot time.

10 **MR SODI:** Ja, no it has been a long time.

CHAIRPERSON: Around – that was the same year, it was 2015 with Mr Mokhesi?

MR SODI: Say that again Chair.

CHAIRPERSON: The one with Mr Mokhesi was it 2014 or 2015?

MR SODI: No, that was 2015.

CHAIRPERSON: 2015.

20 **MR SODI:** Ja, hence I say that so that one would have been prior and I would have discussed it with Mr Mokhesi maybe during one of our lunch meetings, that is why I mention that when he came to me with this proposition he was aware that I was looking at acquiring a property in Parys, so that one – but I can look at the dates you know it is not – it could have been prior to that.

CHAIRPERSON: Okay, and you can make – furnish a

copy of the agreement ...[intervenes]

MR SODI: Ja, certainly, certainly.

CHAIRPERSON: Okay, so what you say to my proposition that for all intents and purposes looks like you did not need Mr Mokhesi, he needed you. You could have invested in another property, it would just have been one of the properties, he is the person who really needed you.

MR SODI: Well ja, I wouldn't want to Chair use the word need, but ...[intervenes]

10 **CHAIRPERSON:** He has told me that he wanted to buy a property where he would live and he could not raise a bond of more than R1million, because ABSA picked up some judgments you know and therefore he needed somebody to assist him to get a property that would be more than R1million and you were the person, so he certainly needed you.

MR SODI: Chair it may appear so but certainly when he approached me in 2015 as I stated just a little while ago, that information never disclosed to me that he was looking
20 at acquiring a property of a certain amount but the banks could only you know give him a loan of a million Rand, but that information was certainly never discussed with me. All what he said to me and you know I just don't want to waste everyone's time, but I will repeat it, he said I am aware that you are looking at acquiring a property in the Free

State. I have come across a potential investment opportunity, would you be keen to invest with me. Those were his words “will you be keen to invest with me” and I said, so I asked him a number of questions about his potential area that he was referring to and he told me where it was and so forth. I did my own research as I said and I said look I am quite happy that we can invest together. He then said look I am able to raise a million Rand from the banks, are you able to raise the balance. I
10 said of course I am able to raise the balance, and that’s what happened.

But the information that he gave you Chair about the judgments and SARS that was news to me in fact when I heard it, I never knew that information.

CHAIRPERSON: When he approached you had he already identified the property and did he know how much, what the price would be for the property?

MR SODI: Well the question that I asked him was what is – the first question I asked I said but what’s the average
20 you know price for the properties in that area. He said it is between 1.5 and 1.8million, so we are looking at somewhere more or less around there. So it wasn’t a specific number, that is the discussion that we had, and I said okay that’s fine, I mean if it is around there you have got – you say that that you are able to raise a million rand,

I am able to raise R650 000, so it means we need to look at a property that will fall within that price, within that price bracket, and that's what happened, he went ahead and ...[intervenes]

CHAIRPERSON: Did you raise the question of why he wanted you as a partner for this property?

MR SODI: Well ...[intervenes]

CHAIRPERSON: Why you in particular?

MR SODI: I just assumed because I told him that you
10 know I like you now playing in the property space, you know speculating you know, I assumed that based on that, that's why he felt confident that he can approach me with this proposition. My feel was that had I not disclosed that to him he may have gone to someone else, but he certainly came to me because he knew that I was certainly playing this space, I have got a property development company apart from just investing in property which builds you know, builds houses, from scratch, you know we acquire a piece of land and we develop. We have got a number of those
20 developments in the Northern Suburbs of Johannesburg, so he certainly knew you know that it's something that I like doing.

CHAIRPERSON: Did the question arise between the two of you when you had this discussion whether it was appropriate or it would be appropriate for you and him or

his trust to get into this arrangement in the circumstances where your company had just done part of the job that it was given, but was still going to do another part and I understand payments were still being made.

MR SODI: It did sir, it did, I actually ...[intervenes]

CHAIRPERSON: You raised it.

MR SODI: I raised it.

CHAIRPERSON: Yes.

MR SODI: And I raised that issue and I said look you
10 know we have completed our exercise, we have completed what we were appointed to do. At that time Mr Mpambani told me that forget about Phase 2, it is not going to happen, you know that's what he told me, the information that he got that there was no budget, there was no money to go to Phase 2, so it is not going to happen, so certainly at that point in time when I had this conversation with Mr Mokhesi I had that at the back of my mind that we were not going to – we were not going to go into Phase 2 of the project, we had completed Phase 1 and that was it. We
20 had been paid some of the money that was due to us, but there were certainly more payments that were still outstanding and you know so I didn't see anything wrong into this transaction, but of course later on when questions are being asked and I look back and I am saying you know maybe – maybe it wasn't quite as smart you know decision

for us to do that, you know because then it raises questions – it becomes questionable, someone looks at it but these guys have just completed a project in your department, yes it is completed but there's still outstanding monies that are due to them, so certainly if one applied his mind to that properly I probably would have said you know what I don't think this is a good idea, but now I have got the benefit of looking back, in hindsight and say it may raise those – you know it may look questionable you know,
10 someone looking at it might say but hold on this is questionable, I admit that, that it may be questionable, but certainly it was never the intention to.

CHAIRPERSON: Well the – that the – that your company would not be involved in – now I don't know whether you said, he said your company would not be involved in Phase 2 or whether he simply said there will be no Phase 2, what exactly did he say?

MR SODI: No, this is Mr Mpambani, the late Mr Mpambani, so he said to me look he has got it on good
20 authority, I have always believed what he told me coming from the Free State, because he was – he was quite entrenched there, he said look there is no possibility at all from, at least in the near future because the Department don't have money to go into Phase 2, and I accepted that you know and I had no reason not to believe him because

with everything else that he told me about the Free State turned out to be true, well at least most of the things that he mentioned.

So at that point in time I – like I said I had no reason not to believe him, so I believed him and I thought you know there would be no, nothing untoward.

CHAIRPERSON: So the conversation that you were telling me about five years ago where you were saying you raised the issue of whether it was a ...[indistinct] I understood
10 you to be saying that conversation you had with Mr Mokhesi, is that correct?

MR SODI: That's the conversation I had with Mr Mokhesi ja.

CHAIRPERSON: Mr Mokhesi ja, and I thought you were saying he was the one who told you that there would be no Phase 2?

MR SODI: No, no, no he was not the one.

CHAIRPERSON: He was not the one?

MR SODI: No.

20 **CHAIRPERSON:** Okay, it was Mr Mpambani?

MR SODI: It was Mr Mpambani who first gave me that information.

CHAIRPERSON: Yes, was that prior to this discussion with Mr ...[intervenes]

MR SODI: It was prior to the discussion.

CHAIRPERSON: Yes, okay, so when you raised the issue with Mr Mokhesi namely you know we have just done work for your department, is this appropriate, what was his response?

MR SODI: No the response from both of us was that look there doesn't seem to be – it doesn't appear at that point in time that this will be a problem, because we had already completed what we were appointed to do, as I said which was Phase 1 of the project, and I then mentioned
10 ...[intervenes]

CHAIRPERSON: But you had been appointed to do both, remember, not one?

MR SODI: Yes, ja, but remember also Chair that the actual appointment for Phase 1 came in the form of an IPW, we never received an IPW for Phase 2 of the project. It was part of the submission that we made in our unsolicited bid, that certainly was part of that, and those within the SLA ...[intervenes]

CHAIRPERSON: The Service Level Agreement.

20 **MR SODI:** Yes, also the Service Level Agreement alluded to that.

CHAIRPERSON: And the appointment letter, if I am correct.

MR SODI: I think so, I think you could be right, ja, but we also we understood that to give effect to that appointment

and IPW had to be issued, which was not the case, it never happened. So then we left it there, we certainly never pursued it to say ...[intervenes]

CHAIRPERSON: But obviously it would happen when you reached a stage where you were about to start Phase 2, it didn't have to be given to you long before you could start Phase 2, in other words the mere fact that it was not given doesn't mean it was never going to be given if the stage was reached where you were about to start Phase 2.

10 **MR SODI:** So Chair to answer this is how I looked at it, we – the Treasury regulation was invoked in this case for our appointment to Phase 1, which is the audit and assistance. We certainly didn't do Phase 2 in Gauteng, so there is no way that, and I am sure we would have gotten to that saying it is the case, you can't just go ahead and use the same regulation because the regulation talks about if you are appointed elsewhere by any organ of state for a similar job.

We were not appointed to do Phase 2, and therefore
20 it would have been inappropriate for that regulation to be utilised for Phase 2, so my view at that point in time was that if Phase 2 had to proceed there would have to be a competitive bidding process for that to happen, I certainly would not have allowed, because I knew that you know this would become a problem later on, because that regulation

talks about you know if you have been appointed to do a similar kind of work, but this obviously you know it was later on, after we had already submitted our proposal and the SLA's, we were signing stuff like that and at that point in time I was like you know what if we go into Phase 2 it is going to be a problem, so I am glad it never went to that, we never got into that stage.

CHAIRPERSON: But how do you say that Mr Sodi in circumstances where you, that is your company or the joint
10 venture, were the people who went to the Department and said you would like to be given a job involved both parts.

MR SODI: Yes.

CHAIRPERSON: You knew that in Gauteng you had not done the asbestos removal.

MR SODI: Yes.

CHAIRPERSON: And you knew that it was the Treasury regulation that was going to be used.

MR SODI: Yes, as I said Chair it doesn't seem to me you can say what you are saying to say you were going to
20 object to being given the job for the removal because that would not be covered by the Treasury Regulation, but you are the one who approached the department and said you wanted to do among others a job on the basis of a Treasury regulation that had not been ,a job you had not done before, that on your own evidence would not apply?

MR SODI: That is correct Chair, hence I am saying that realisation was much later after we had already approached them and submitted our answering proposal, when I started looking at it and when I had a discussion with Mr Mpambani when he said to me but there is not going to be Phase 2, I remember that I said to him but it is actually a blessing in disguise, but this Phase is not going to go through because we didn't do Phase 2 in Gauteng, so it is actually good for us that it stops here and not
10 proceed, But it was after the fact, as I said it was way after the fact, after the unsolicited proposals were submitted and the SLA's were done and then one started looking at it and say but here it is a grey area that I wouldn't want us to get into because otherwise it could become problematic.

CHAIRPERSON: But you were so keen, at least at the beginning Mr Sodi to do this part, both parts, that you even said you had the capacity, you had the qualifications, you have the experience or the accreditation when actually you didn't have, is that right? You said last time that yes
20 your company did not have that.

MR SODI: Ja, I tried qualifying that Chair by saying that we would approach those kind of appointments from a project management point of view, and then get a specialist to come and do the work, which is the – you know it is an industry practice, you know, that's what we

had envisaged that should it get there we would have to just be a project manager and get a specialist to do it, but as I have just said Chair that had I applied my mind right at the beginning when we submitted the proposal we certainly wouldn't have included Phase 2, we wouldn't have because like I said I got to – also I got to know and understand some of the intricacies of that regulation much later on, I mean I didn't have much you know knowledge about it, but I got to know as you know and even now I
10 mean I am still trying to familiarise myself with you know how it works and so forth

CHAIRPERSON: Yes, last time I think you conceded I think quite correctly that to the extent that in your unsolicited proposal or in the service level agreement, to the extent that you said that you could do this part of asbestos removal and so on, or to the extent that you said you had the qualifications, the accreditation you accepted that that was a misrepresentation, am I right?.

MR SODI: Can I – I think I need to make that very clear.

20 **CHAIRPERSON:** Yes.

MR SODI: So that we are on the same page.

CHAIRPERSON: Ja, ja, you attributed to you something ...[intervenes]

MR SODI: Ja, so I said that to conduct an audit or assessment you don't need accreditation.

CHAIRPERSON: That's the first part.

MR SODI: That's the first part.

CHAIRPERSON: Ja.

MR SODI: And I said that to do Phase 2 which is the handling and the disposal you need to be accredited.

CHAIRPERSON: Yes, that is the part I am talking about.

MR SODI: Yes, and I was very – I made it clear that we were not accredited, we still aren't accredited to handle asbestos. This is the part that I am referring to that we
10 would have had to get a specialise, someone who is accredited to execute that but we play a management role, okay, but the specialist would do the bulk of the work and then we play the management role and this is the point that I just want to submit to you Chair, if I didn't make it clear the first time around I just want to make it clear to you now that you know you could be appointed, even though you don't have the qualification but you play the role of a project manager.

CHAIRPERSON: You see I don't have a problem at a
20 certain level I don't have a problem if you are looking for a job that you want to do or business, and you – the job may entail something that you can't do, if you disclose to the person who must give you the business that this is what you can do, this is what you can't do, but you are going to need to bring in people who have got the expertise, the

skills, so that the person who must give you a job knows that you actually can't do this, you are not accredited to do this but here is your plan and they are happy with your plan you see, but the difficulty with what you are saying when you seek to qualify what I think you said last time is that you didn't disclose that in the correspondence and in the service level agreement with the department, you actually said you have – you had the qualification or accreditation and I thought to the extent that last time you
10 may have conceded I thought that was a correct concession to say we shouldn't have said that.

MR SODI: Ja, look Chair I mean in an ideal world in this industry that for me is how it should happen, when you say Mr Sodi for instance here is the plan, I want you to build me this house, okay, tell me how much you are going to charge me to build this house and I go and do my number crunching and I come back to you and say Mr Chair this house will cost you R5million.

Okay, hardly does it ever happen that I will say well
20 I am not qualified in doing electrical work so I am going to get Mr Joe Soap, I don't do planting, I am not qualified to do planting, I am going to get Mr X. It doesn't happen in the industry.

So I will come back to you because I would have had at that point in time I would have taken out sections

where I don't have the necessary knowledge or skill or know-how, I would have taken those sections and sent to the specialist listen how much would you charge me to do one, two, three and then they will say Mr Sodi we will charge R10 or R20 and then I put my 10% mark-up, I come to you and now R20 is R22 because I have put in my mark-up, but I certainly don't disclose to you that you know I am going to get so and so, it becomes my responsibility as the one point of entry and one point of exit to manage those
10 sub-contractors.

CHAIRPERSON: So Mr Sodi are you saying to me it is right, as far as you are concerned, for somebody who doesn't have the qualifications to do a particular job or accreditation, to go around seeking a job to do, seeking business to do that kind of work for which he has no accreditation, he is not qualified, not to disclose that he doesn't have the papers, he doesn't have the accreditation or qualifications, as long as he is going to go and look for somebody who has got qualifications, is that what you are
20 saying?

MR SODI: I am not saying it is right Chair, that is why I said in an ideal world you know one wishes the industry, or it could work like that, so that if one is given a task then upfront you know then you tell the client but in this area it is not my specialist, I am going to sub-contract, I don't

have the necessary qualifications, but because we play a project management role it becomes our responsibility so if anything is wrong, if I build a house and tomorrow it starts leaking or it catches fire because of an electrical fault, I am not going to go to the electrician nor the plumber, I am going to go to the person that I appointed and say it is your responsibility as to who did that it is none of my business, but you were give the contract to do one, two, three, so I will say that, it is how – it is the industry norm,
10 that is how it happens.

CHAIRPERSON: But now you tell me based on what Blackhead said to the department in regard to this, we have repeated that, you said we can do – we have the capacity, experience, qualifications or accreditation, I can't remember all the adjectives, to do this job and when you said that you included asbestos removal and you didn't say you were going to look, that somebody was going to do it, you accept that it was wrong not to disclose that?

MR SODI: I just need to add Chair that we certainly did
20 not mention that we have got accreditation.

CHAIRPERSON: Yes.

MR SODI: You know and we made an admission that we can certainly do the Phase 1.

CHAIRPERSON: Phase 1 I am not having an issue with it, it is Phase 2.

MR SODI: So it could be that submission should have gone further and I will admit that, it could have gone further to say that if you appoint us for phase 2, which is the actual removal and disposal and so forth, it may be – it could have gone further to say if you do that then we will have to appoint a specialist to do that actual work. It could have gone further, you know, to allude to that fact, Chair, but it certainly ...[intervenes]

CHAIRPERSON: Was it right or was it wrong?

10 **MR SODI:** Come again?

CHAIRPERSON: Was it right or was it wrong for Blackhead not to disclose that it itself did not have the qualification or accreditation to do the second phase but to represent that it could do it?

MR SODI: Because, Chair, I do not want to ask you ...[intervenes] .

CHAIRPERSON: I want you to come out because last time you ...[intervenes]

MR SODI: I did come out ...[intervenes]

20 **CHAIRPERSON:** [inaudible – speaking simultaneously] and said...[intervenes]

MR SODI: I did make that con ...[intervenes]

CHAIRPERSON: You should not have done that.

MR SODI: Yes.

CHAIRPERSON: And I thought that was ...[intervenes]

MR SODI: No, no, it is fine, I made that concession but I – but it is also important for me to explain how the industry works, whilst at the time ...[intervenes]

CHAIRPERSON: No, no, you explained that, I understand that.

MR SODI: Yes, whilst at the same time conceding that yes, it would be an ideal thing to do, to be a proper thing to do to say guys, here is this particular aspect, we do not have the necessary expertise and skill, we are going to
10 have to subcontract that. You know, it would – so I admit that, you know?

CHAIRPERSON: You accept it was not proper.

MR SODI: No, I accept that, ja.

CHAIRPERSON: Ja.

MR SODI: But I just wanted to first of all, just say this is how it happens in the industry.

CHAIRPERSON: Ja.

MR SODI: So that we are on the same page when it comes to that.

20 **CHAIRPERSON:** Okay.

MR SODI: But also admit that in a – that is why I used the word, in an ideal world, you know?

CHAIRPERSON: Yes.

MR SODI: That maybe this is how things could happen.

CHAIRPERSON: Now Mr Mokhesi said yesterday when I

asked the question whether the department would have given you the job if they knew that – at least if he knew that you did not have the qualifications or accreditation to do the second part of the asbestos removal. He said definitely they would not have given you the job. Do you want to comment on that?

MR SODI: Ja, I mean, I do not necessarily agree with that, Chair, on the basis that he could have said we are only appointing for phase one but to categorically say that, 10 you know, I would not have appointed them, I – on what basis because, you know, what experience and what accreditation would he - you know, of course, as I said, you do not need that in phase one. So he could have said guys, I have got your unsolicited proposal in front of me, it talks about phase one and phase two and as you all know, phase two requires some accreditation, phase one does not, so I am going to appoint you for phase one only because that is what you did in Gauteng. So I am only appointing you for phase one, forget about phase two. 20 That is what – in my view, that is how he should have responded to that question to say that I would only have appointed them for phase one but not phase two, but not choose – ja.

CHAIRPERSON: Of course the question that arises if you seek to – if, as a department, you have need for somebody

to do a job that has got phase one and phase two is whether you will appoint somebody who is able to do both parts or whether you will appoint somebody who can do phase one and cannot do phase two and then you must appoint somebody else for phase two and you do not know whether, if you appoint somebody else, when they come they might say whoever did phase one did not do a good job, we have to start afresh, then you might have to pay more. What do you say to that?

10 **MR SODI**: Well, sir, my comment to that, it is very simple. If you look at the project, what needed to be done was to quantify the number of houses that are roofed with asbestos and come with an estimate in the form of a generic BOQ as to what needs to happen or how much it is going to cost. That is what needs to happen. So – and whoever then comes afterwards, is something who says okay, fine, we know that in township A there are 300 houses that are roofed with asbestos and this is – these are the areas that we must go to, alright? And then they
20 simply go there and they do what they have to do based on the information they would have received from phase one. So it is really quantifying and giving information about what needs to happen.

In this case we were only talking about the removal of roofs and nothing else. I know that, you know, the

experts when they were here, they spoke about pipes and gutters and so forth but in this case it was just restricted to the actual roofs so I would not have looked at anything else beyond that.

So really, it is putting the horse in front and the cart, you know, behind the horse to say – but also, for the department, remember it is quite useful information because they need to know when they are doing their budgeting, what are we budgeting for and how much do we
10 need as a budget because otherwise you will then plan in the dark without having the necessary information. But if you do know then you say okay, fine, we need x amount or this is what has been found so let us put x amount available and then you deal with it. So it assists the department as well in that sense, you know?.

CHAIRPERSON: Now the price that was agreed upon..

MR SODI: Ja.

CHAIRPERSON: I understood you last time to say that was the price for the whole job namely, the whole job being
20 as wet out in the service level agreement and the letter of appointment which would be phase one and phase two. Did I misunderstand you?

MR SODI: Are you – is the Chair referring to the R850?

CHAIRPERSON: Yes, yes.

MR SODI: No, certainly not, Chair, I think you probably I

misunderstood the R850 will in no way even touch the service when it comes to roof removals. That was strictly for the audit and assessment so if I did not, you know, make myself clear, I apologise, sir. But, you know, to give you a rough estimate, to remove a roof, you know, and go and dispose of asbestos and put a new roof, you know, tiled roof which is what, you know, happening in most cases, it will cost you anywhere in the region of between – I am estimating between 20 maybe and 30 000 per house, 10 you know, if we are talking about the 40 square metre houses that we are referring to but 850 certainly would be scratching the surface.

CHAIRPERSON: Lastly, in that agreement going back to your arrangement with Mr Mokhesi or his family trust.

MR SODI: Ja.

CHAIRPERSON: There is a clause in that agreement that said the agreement should be kept confidential or something to that effect. Why did you want that agreement to be confidential?

20 **MR SODI:** Ag, you know, again, like I said, I mean this was – you know taking the record from the internet and just, you know, for me it was agreement between the two parties and one would – and I am certainly not a legal person but the interpretation of that was that it is an agreement between Blackhead and the Trust and should

remain that way. But, of course, I mean if the relevant, you know, authorities or whoever wants to look at it, they can have a look at it. But, like I said, I mean – I think the lesson learned there is that some of these things leave them to professionals to draft them instead of going to the internet and thinking that we can be smart and draft these kind of things but it is certainly giving – for me it was neither here nor there, it did not mean anything.

CHAIRPERSON: Ja, okay. Anything arising, Mr
10 Pretorius?

ADV PRETORIUS SC: Mr Sodi, on the 28 May 2014 you delivered on behalf of the joint venture to Mr Mokhesi and unsolicited proposal.

MR SODI: Correct.

ADV PRETORIUS SC: In that proposal you say:

“We have pleasure in submitting our request to be appointed on a risk basis for the following:

Assessment/audit of houses roofed using asbestos material.

20 Handling and disposal of asbestos sheets to an approved designated disposal site.”

The objective of the project on page 166 of the FS8 is twofold:

“Quantify the number of houses roofed with asbestos sheets.

Remove and dispose asbestos to an improved and accredited disposal site.”

In short it was your unsolicited proposal that you would also remove asbestos.

MR SODI: As I said and I am qualifying it, Chair, to say that we would have played a project management role on phase two. There is no way we would have touched asbestos because we knew – I certainly knew, you know, but you cannot touch asbestos unless you are accredited
10 but you can do the audit, you can do that, it is fine.

ADV PRETORIUS SC: You also knew, Mr Sodi, that you had not done it in Gauteng yet you bid for it in Free State.

MR SODI: Correct and I said, Chair, that if one had applied his mind properly when we did this unsolicited bid we would not have included that aspect. I have already stated that before you, Chair, to say that much later on, when I started looking at it, I am like, you know, it was, you know, it was blessing in disguise that it never got to that stage because I started analysing it and looking at it
20 and say this would be grey area, it would be problematic. So I admit that, you know, it should not have been there.

ADV PRETORIUS SC: Just one more matter, if I may, Chair. In your affidavit FS1.1 399 you say that:

“In relation to Mr Jimmy Tau you paid him an amount of R3 million from the proceeds of the

asbestos audit in the Free State but this payment related to unrelated project in which Mr Tau rendered services and was paid from Blackhead's account after receipt of its share from the JV."

The question is, did Mr Tau in his personal or any other capacity perform services for you or Blackhead?

MR SODI: As I said, Chair, we engaged Mr Tau through one of this entities as a business development consultant.

ADV PRETORIUS SC: Okay, that is sufficient for present
10 purposes, it is not necessary to go into the detail for the present.

MR SODI: Okay.

ADV PRETORIUS SC: The Chair, may want to know. But in the questions that the investigators put to you, the answers to which we have received last night, one of the questions was:

"Please provide further any agreement between Mr Jimmy Tau and/or any of his related entities and Mr Sodi's and any of his entities:

20 And you say:

"No further agreement exists."

MR SODI: I think in answering that question, my understanding was the question is saying is there an employment contract between Blackhead and Mr Tau, that is why we said – okay, it could be a – that is why we said

further on, Chair, that we had already provided the agreement entered into between Blackhead Consulting and his entity, so it could be a – you know?

ADV PRETORIUS SC: Alright. Well, we may have to go back there and clarify the question and perhaps obtain a full answer.

MR SODI: Ja, that is fine but we have certainly made it very clear that it was not – he was not employed in his personal capacity and so, you know, when I read that I
10 thought it is talking about him being employed in his personal capacity and it could be a matter of language which I admit, you know, could be I misunderstood.

ADV PRETORIUS SC: Thank you, Chair.

CHAIRPERSON: Just one last question that I forgot. You know, I asked you about the conversation that you and Mr Mokhesi had about whether it was appropriate to enter into this arrangement and you said, if I recall correctly – well, you said you knew by then from Mr Mpambani that there was going to be no phase two because he said the
20 department said it did not have money but I am not sure that I remember whether you did tell me what Mr Mokhesi's position was.

MR SODI: No, his position also was the same, he said definitely there is not going to be any phase two for the foreseeable future.

CHAIRPERSON: Yes in that meeting where you were having that discussion.

MR SODI: Ja, he said that was it, I mean, it is also the law of questions that have been asked, you know, there is a lot of noise, the Auditor-General and so forth so certainly this is it, it is not going to go further than what went wrong.

CHAIRPERSON: That is quite interesting because I asked him this question yesterday. Initially he said – his response was that there was going to be no phase two or
10 Blackhead was not going to do phase two, I am not sure which one of those but later on he changed that and he said because this was simply a commercial transaction he did not think that there was a problem with the two of you entering into this transaction.

MR SODI: Ja.

CHAIRPERSON: And I asked specifically the question, this issue that you mentioned earlier that there was to be no phase two, that did not – that is not what persuaded you, he said no, that did not play a role. What played a
20 role was that as far as I am concerned this was simply a commercial transaction and I could enter into it. At least that is how I understood him to be saying.

MR SODI: Ja.

CHAIRPERSON: And I said to him but it cannot be a convincing answer.

MR SODI: Ja, ja.

CHAIRPERSON: Because it would everybody – every official ...[intervenes]

MR SODI: Correct, ja.

CHAIRPERSON: They can get into these commercial transactions as long as it is a commercial transaction whereas actually the very purpose of raising issues is because officials are not supposed to be entering into commercial transactions with service providers and so on
10 ...[intervenes]

MR SODI: Ja, I watched that, Chair.

CHAIRPERSON: You watched that, ja.

MR SODI: I did and I am not sure why, you know...

CHAIRPERSON: What do you say about his evidence in that regard?

MR SODI: No, I do not – like I said, I, you know, certainly cannot speak on his behalf. I cannot speak for him.

CHAIRPERSON: Yes, yes.

MR SODI: But I was not sure why he did not come
20 forthright and say that, you know, a decision was made that there was not going to be phase two and therefore he did not see anything wrong.

CHAIRPERSON: So your recollection is that with regard to both of you the reason why you felt comfortable to enter into this transaction was because your understanding and

his understanding was that there would be no phase two?

MR SODI: Chair, if I knew that phase two was going to follow there is no way I would have entered into that transaction with him. I would not have done it because that clearly would have just been problematic and, you know, anyone looking at it would have said this is problematic and the only thing that gave me comfort as a fact was because we had completed the projects but someone can say but ja, you completed the project but you
10 were still getting paid, you know?

CHAIRPERSON: For certain payments, yes.

MR SODI: Which, as I said, you know, when one looks at it now, you know, it might appear to be questionable but at that point in time certainly, you know, I did not think it was going to be a problem. But certainly, to answer your question, Chair, if I knew that phase two was going to proceed there is no way, I would not have done it, absolutely not.

CHAIRPERSON: Because it would be wrong?

20 **MR SODI:** Because it would be wrong – it would be – and, you know, for me it would be inappropriate because again, you know, you could say well, you did this because you are trying to influence an official to make a decision favourable to you, you know, and I would not have wanted to put myself in that situation where there could be a perception

created, you know? There could be a perception created that by doing this as much as it was a legitimate and aboveboard commercial transaction, but it could have, in my view, by doing that it would have created a wrong perception, I think. Ja.

CHAIRPERSON: Of course - am I right to understand that whatever may have been discussed between yourself and Mr Mpambani about whether there would be phase two or not and between yourself and Mr Mokhesi about whether
10 there would be phase two, I am correct to understand that there was nothing official or in writing that the department had sent to Blackhead or to the joint venture to say there will be no phase two despite the fact that our service level agreement with you contemplates that there would be phase two?

MR SODI: Ja, there was absolutely nothing official, Chair.

CHAIRPERSON: Yes.

MR SODI: And like I said, I mean, if there was anything that had to be done from the department's point of view to
20 proceed with phase two would have been the issue of an IPW. But at that point in time there was no communication, nothing official. As I said, I had no reason to doubt what Mr Mpambani was telling me because in most cases whatever that he told me turned out to be true and when I when I raised it with – and I said look, this is the

information that I got, he agreed with it. He said ja, definitely there is not going to be a phase two.

CHAIRPERSON: So you would agree, would you not, that as at the date of entering into that arrangement with Mr Mokhesi anybody looking at correspondence between Blackhead or the joint venture and the department and looking at the service level agreements all they would see would be there is still an agreement between the department and the joint venture in terms of which there
10 will be phase two?

MR SODI: Chair, certainly someone without intimate knowledge of what was going on would have arrived, I suppose, at a conclusion like that.

CHAIRPERSON: Ja. So the agreement, the service level agreements had not been terminated in any official way, is that right?

MR SODI: At that – ja.

CHAIRPERSON: Because that agreement said you do two phases, you remember?

20 **MR SODI:** Ja.

CHAIRPERSON: So it had not been terminated and phase two had not been done, therefore it would – the position officially was there is still a job for you to do but you are saying that unofficially you had been told that there would be no phase two, is that right?

MR SODI: That is what I am saying, sir, but I am also saying that, you know, to give effect to the SLA and I think that – I think that is what the SLA say if we read it carefully, it does say that you will proceed to work after having received and IPW.

CHAIRPERSON: Ja.

MR SODI: So, in other words, in the absence of the IPW you cannot do anything. You know, nothing will happen, as much as the SLA is there. So that was an instrument to
10 determine whether or not, you know, one proceeds or not.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: Chair, if I may ask just one.

CHAIRPERSON: Okay.

ADV PRETORIUS SC: That series of questions. At the time you entered into the agreement and arrangement with Mr Mokhesi regarding the joint investment in the residence in Bloemfontein you say the work had been finished, had been completed.

MR SODI: Correct. Yes, with regards to ...[intervenes]

20 **ADV PRETORIUS SC:** You had not yet received full payment.

MR SODI: We had not yet received the full payment.

ADV PRETORIUS SC: And the question as to whether you would receive payment was a matter that was in the hands of Mr Mokhesi, he gave that evidence.

MR SODI: Well, I...

ADV PRETORIUS SC: Well let me give you the evidence completely so that we do not continue for another hour. The – I do not mean that to reflect on anyone but the complexity of the issues involved, Chair. Let me put it to you fully.

The Auditor-General had already declared the contract invalid or irregular. Mr Mokhesi had to decide whether you should continue to receive payment and it was
10 in his discretion after he said an investigation that was conducted by himself that he would have decided to continue the payments and these payments continued through the same period that you were entering the agreement with him. Were you aware of that?

MR SODI: Chair, I was not aware about the AG findings, that is one. Two, I am aware that the matter was taken to court by one political party in the Free State and the outcome of that, in my view, is what influenced a decision that was made by the judge that in that matter is what
20 then, you know, influenced the department to make our final payment. That is my understanding. It could be wrong but I certainly, like I said, did not know about the AG findings and when the matter was taken to court and it came out in our favour, that is why I thought, you know, it was on that basis that the payments were made to us.

ADV PRETORIUS SC: But, Mr Sodi, the simple point being put to you is that at the time you entered into the agreement with Mr Mokhesi, Blackhead had not yet been paid in full and payments continued thereafter.

MR SODI: Well, I mean, Chair, it is a fact that we have discussed. The fact of the matter is, there was a contract of a certain amount between the department and the service provider. It was made clear in terms of how the payments were going to be done and also that once upon
10 successful completion of the project, the full payment will be done. So certainly, from our side we provided the service, we completed it and so we – so we dealt with one side of the agreement which was doing the work and completing it and submitting the reports to the department.

Certainly no one from the department raised an issue about the work that we did, they were happy with what was submitted to them and what was therefore left was for them to honour their side of the agreement.

So in my view it was not necessarily up to Mr
20 Mokhesi to decide whether he wants to pay us or not, we had a contract. That was there. That was very specific, that service provider, you will do one, two, three and upon completion of that, you will get paid x amount. So even if, for instance, Mr Mokhesi left or resigned or whatever, whoever then came into that position or whoever was going

to come into that position, would have had to honour the contract. So it is not – there is certainly no inference at all that we could have tried to exert on Mr Mokhesi to pay us, he was obliged to pay in terms of the contract that we signed with the department.

ADV PRETORIUS SC: Thank you, Chair.

CHAIRPERSON: Thank you very much, Mr Sodi, for coming to give evidence and assist the Commission. You may be asked to come back, you might not be asked, I am
10 not sure, it will depend on the further investigation and documents.

MR SODI: Okay.

CHAIRPERSON: But thank you very much.

MR SODI: Thank you, Chair.

CHAIRPERSON: I will now release you, you are excused.

MR SODI: Thank you.

CHAIRPERSON: I take it that there was no plan to do any re-examination?

COUNSEL FOR MR SODI: Thank you, Chair, no, not at
20 this stage. I assume once we have done with the investigation that is still outstanding then you will be in position to make a final decision.

CHAIRPERSON: Yes. Okay, alright. Okay, we will adjourn now for the day. Tomorrow there will be no sitting but there will be a sitting on Thursday. I think I will hear

the evidence of the Premier of North West as well as Ms Memela in the aviation work stream. We adjourn.

INQUIRY ADJOURNS TO 1 SEPTEMBER 2020