

# Eskom takes Deloitte to court

Eskom is seeking to recover ill-gotten funds from Deloitte Consulting.



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“Eskom has issued court papers and filed an affidavit against Deloitte Consulting for the setting aside of awards of contracts and recovery of funds amounting to R207 million relating to improperly-awarded work during 2016,” said the power utility on Monday.

The affidavit further calls for Eskom’s former Chief Financial Officer Anoj Singh and Senior Executive Prish Govender to pay the costs of the application.

The utility’s acting Group Chief Executive (GCE) Jabu Mabuza said the company has made a commitment to recover ill-gotten funds lost to State Capture.

“We have promised South Africans that we will be pursuing all ill-gotten funds that were extracted from Eskom during the days of state capture. This action seeks to restore confidence in Eskom’s governance processes and procedures, which were grossly subverted by people who were charged with taking care of the very processes,” he said on Monday.

Information before the utility showed that the multinational had engaged in activities that were unfair and non-transparent.

“Information before us shows that Deloitte engaged in activities that were unfair, inequitable, non-transparent and uncompetitive using off-the-record briefings with Eskom officials to submit proposals, and were granted contracts even though their pricing was way above their competitors and getting the scope of these contracts modified to just under the ceiling price which requires the approval of the provincial Treasury as stated in Eskom’s cost-containment procedures,” said Mabuza.

The acting GCE said Eskom is asking the court to make a ruling regarding the tenders awarded to Deloitte.

“We are therefore asking the court to declare the activities relating to the CFO Transition Laboratory and tenders SM002 and SM004 unlawful and unconstitutional, to set aside the awards, and for Deloitte to pay back the amounts paid to them,” said Eskom’s Acting Group Chief Executive Jabu Mabuza.

Mabuza said it is disheartening to see how the processes were subverted. He said proposals were submitted even before the tender process started.

“Deloitte was granted contracts when their prices were five times higher than those of their competitors. In one of the tenders, Deloitte’s price was R79 million versus just under R16 million and R9 million from two competitors, and in the second tender, Deloitte’s price was R88.8 million versus R14.5 million, R13.25 million and R6.59 million from three competitors.”

“This shows pure corruption on the part of Deloitte and the Eskom executives who facilitated these contracts with absolutely no regard for Eskom’s sustainability,” said Mabuza.

Meanwhile, the power utility said it continues to work with and provide all necessary support to law enforcement authorities including the South African Police Service (SAPS), as well as National Treasury, the Special Investigative Unit (SIU) and the Directorate for Priority Crime Investigations (Hawks) among others.

In November 2017, Eskom sought McKinsey & Company as well as Trillian’s cooperation in respectively returning R1 billion and R564 million, which appears to have been unlawfully paid out to the companies in 2016 and 2017.

In July 2018, McKinsey announced that it will pay back the R1 billion paid to it by Eskom under the Turnaround Programme.

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