



October 28, 2022

**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
28 OCTOBER 2022**

SIU WELCOMES THE ARREST OF FORMER ESKOM EXECUTIVE AND SEVEN OTHERS

The Special Investigating Unit (SIU) welcomes the arrest of former Eskom executive, Matshela Koko, and seven other people by the Hawks and the National Prosecuting Authority's (NPA) Investigating Directorate (ID) on charges of fraud, corruption, and money laundering in connection with the awarding of a R2.2 billion contract for the construction of Kusile Power Station. The accused were arrested on Thursday morning in Gauteng and Mpumalanga provinces and appeared in the Middleburg Specialised Commercial Crimes Court.

The arrests follow an intensive and complex investigation by the SIU, among others, in the affairs of Eskom and the non-performance by service providers in relation to the Medupi, Kusile and Ingula power stations and the High Voltage Transmission Projects at Medupi, Kusile & Ingula under Proclamation R18 of 2018.

The SIU probe revealed that Eskom irregularly appointed a Swiss engineering company, Asea Brown Boveri (ABB) to do work at Kusile Power Station to the tune of approximately R2.2 billion. Based on the uncovered irregularities and evidence pointing to criminal offences including fraud and corruption, ABB offered to settle the matter and in December 2020, the SIU and Eskom entered into a settlement agreement with ABB, which resulted in

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KwaZulu-Natal: 214 Dr Pixley Kaseme Street, Durban Central, Durban, 4001 10th Floor Liberty Towers | Free State: 195 Nelson Mandela Drive, Telkom House
(College Square), Bloemfontein | Mpumalanga: 25 Samora Machel Drive, Mbombela Centre, 4th floor, Mbombela, 1200 | Limpopo: Ground Floor,
Moolman 500 Building, 31 Mark Street, Polokwane, 0070 | Western Cape: 1st Floor, Bytes Technology Building Raapenberg Road Golf Park, Pinelands, 7405
North West: 1st Floor, Protea Office Park, Sekame Road, Mahikeng | Mthatha: 13th Floor, PRD Building, Sutherland Street, Mthata, 5100
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the company paying back R 1.577 billion to Eskom. The SIU clearly stated at the time of the settlement that the settlement would not absolve ABB, or anyone implicated from criminal prosecution. The SIU has instituted a process of civil litigation to review and set aside the R 2.2 billion contract, and to recover further financial losses suffered by Eskom from all those who are involved and to hold them to account. Other administrative and national and international regulatory consequences will follow including pursuing the blacklisting of ABB.

Furthermore, the SIU probe revealed that ABB subcontracted Impulse International, a company owned by then senior Eskom executive Mr. Koko's stepdaughter Ms Koketso Choma, and other companies. The subcontracts were awarded irregularly and were non-compliant with Eskom procurement processes, and contrary to Section 217 (1) of the Constitution.

Evidence obtained by the SIU revealed that Mr. Koko allegedly played a vital role in the awarding of contracts to Impulse International, ABB and other sub-contractors. When contracts were awarded to Impulse his stepdaughter became a Director at Impulse and she later resigned her directorship in Impulse and opened Mokoni Trust. Monies were then paid into the Trust by Impulse. The monies were then channeled to business and various channels linked to the Koko family.

The SIU probe has also uncovered evidence pointing to counts of fraud and offences in terms of the Prevention and Combating of Corrupt Activities Act, a pattern of racketeering and money Laundering. In line with the Special Investigating Units and Special Tribunals Act 74 of 1996, the SIU referred evidence pointing to criminal conduct that was uncovered during the investigation to the attention of the NPA for further action. The SIU is working closely with the NPA, Hawks, Financial Intelligence Centre (FIC) and ID in this regard and we will continue to work together to ensure that all role players identified through our investigations in the alleged crimes are held accountable.

The arrest of Koko and seven others is a clear determination by law enforcement agencies and a continuation of the implementation of the SIU investigation outcomes and

consequence management to recover assets and financial losses suffered by State institutions and/or to prevent further losses.

Fraud and corruption allegations may be reported via the following platforms:
siu@hotline.co.za / Hotline: 0800 037 774.

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ABOUT THE SIU:

The SIU is an independent statutory body with a primary mandate to investigate allegations of corruption, malpractice and maladministration in the affairs of government departments, municipalities and State Owned Entities, and to recover financial losses suffered by State institutions. The SIU was established in terms of the Special Investigating Units and Special Tribunal Act, Act No 74 of 1996 (SIU Act).

The SIU has powers to subpoena witnesses, bank statements and cellphone records, search, seize evidence and interrogate witnesses under oath. The SIU can take civil action to correct any wrongdoing it uncovers in its investigations.

Where criminal conduct is uncovered during investigations, the SIU will bring the matter to the attention of its partners Hawks in the South African Police Service (SAPS), as well as the National Prosecuting Authority (NPA)