# Twitter Thread by Open Secrets



**Open Secrets**
@OpenSecretsZA



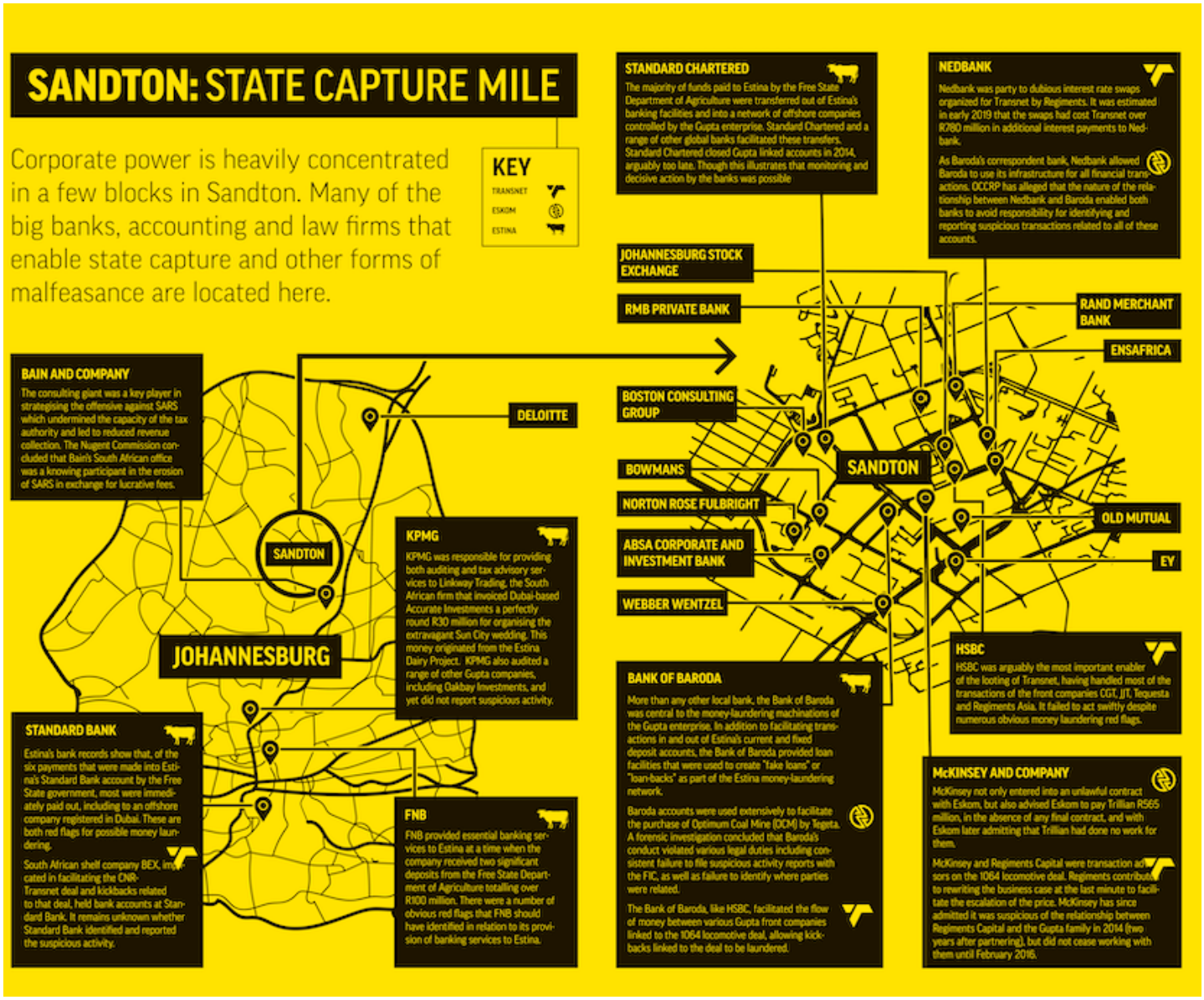
## One year ago, Open Secrets and @ShadowWorldInv1 submitted to @StateCaptureCom our investigative report, The Enablers: the Bankers, Accountants and Lawyers that Cashed in on State Capture.

The Enablers focuses on the role of banks, accounting firms, consultants and lawyers in facilitating criminal conduct that formed part of the #StateCapture enterprise.

A failure to interrogate, fully and energetically, the private enablers of this enterprise would leave the work of the State Capture Inquiry (Zondo Commission) incomplete.

This investigative report shows that the systems that enable grand corruption and #StateCapture are global in nature, and that private sector elites are central to the problem. Directors of complicit corporations in South Africa and abroad must be held to account too.

The launch of the Enablers was hosted at the Sandton Library as Sandton is an important location as many of the bankers, accountants and lawyers that facilitated #statecapture are all located there. We call it the Sandton State Capture Mile.




We produced a few fact-sheets based on the report.

The #StateCaptureEnablers fact-sheet for Transnet shows the alleged role played by @HSBC , @StandardBankZA, @Nedbank, @McKinsey and Regiments Capital in the looting at Transnet.

SWI Shadow World Investigations

# The Enablers: Transnet

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## The Bankers

**HSBC:** Banking giant, HSBC, allegedly ignored internal warnings about the transactions of the Gupta front companies. HSBC only noted suspicious activity three years too late, after billions had been laundered through these company accounts. **It is inexplicable that no attempt was made to shut these accounts, or investigate what connections Tequesta and Regiments Asia had with the Gupta family or other South African corruption scandals.**

**Nedbank** made R28.2 million and R46 million in the Regiments Capital's fraudulent "interest rate-swaps`' These swaps cost Transnet over R780 million in additional interest payments to Nedbank.

**Standard Bank:** Gupta shelf company BEX held bank accounts at Standard Bank. Standard Bank also held accounts for other Gupta front companies including Homix, which has been implicated in laundering kickbacks related to several corrupt SOE contracts, and Regiments Capital.



## Accountants, Consultants, and the Offshore World

### *McKinsey and Regiments Capital:*

- Private consultants Regiments Capital and McKinsey played a central role in inflating the costs of the contracts for Transnet's 1064 locomotive procurement.

### Secrecy Jurisdictions:

Kickbacks from corruption at Transnet were laundered through two networks based in infamous secrecy jurisdictions.

1. JJT and CGT were based in Dubai – the 9th most secretive jurisdiction in the world according to the Tax Justice Network's Financial Secrecy Index.
2. Tequesta and Regiments Asia were based in Hong Kong – the 4th most secretive jurisdiction in the world. Both companies were set up by Salim Essa on the same day, and both used HSBC bank accounts.



### *Company Formation*

- Hong Kong based company formation agent called Stephen Lai helped register both Tequesta and Regiments Asia, and obtain bank accounts at HSBC.

Estina and Eskom factsheets:
#StateCapture

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# The Enablers: Estina's Laundromat

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## The Bankers

**Bank of Baroda**: The Bank of Baroda was the most important bank in the system that laundered money stolen from the Vrede Dairy Project, meant for Black farmers. It provided a series of current accounts and dubious loans and fixed deposit. accounts to round-trip money looted from the Vrede Dairy Project. Baroda employees received benefits and gifts from the Gupta network.

**Standard Bank:** Standard Bank provided Estina's banking facilities during the initial phase of the swindle. In total, Estina received six large payments from the Free State government into its Standard Bank account. In total, Estina transferred $8,348,00 from its Standard Bank account to Gateway Limited in Dubai.

**FNB:** Estina transacted from its FNB facilities in ways that should have raised multiple red flags. This included the deposits from the Free State government were paid out almost as soon as they were received in the account. Between 2015 and 2016, of the R106m paid to it by the FS government into the FNB account, R85m was transferred directly to Gateway Limited in Dubai.

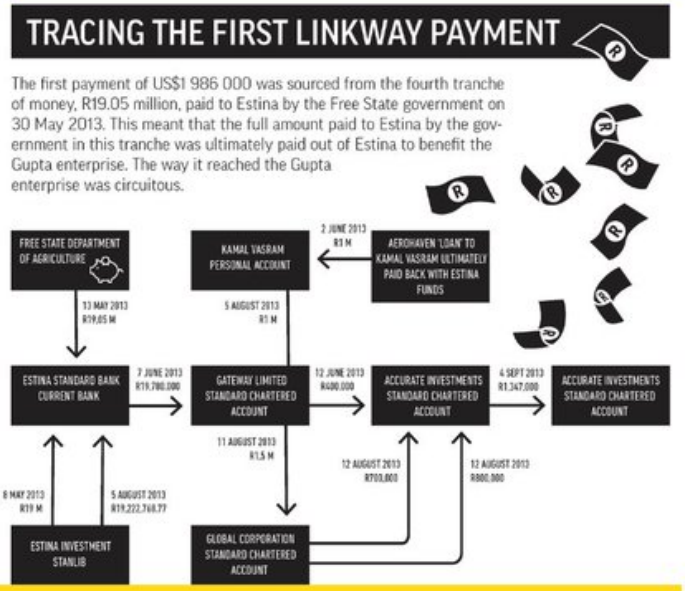
**Standard Chartered:** The Guptas used companies in Dubai to launder the money derived from the Dairy Project. These companies held bank accounts with Standard Chartered.

## KPMG

KPMG provided auditing and tax advisory services to a Gupta company, Linkway Trading. Linkway Trading was used by the Gupta network to receive R30m stolen by Estina from the Vrede Dairy Project. This R30m, was invoiced against expenses incurred by the Guptas in hosting the infamous Sun City wedding, and was paid to Linkway by Accurate Investments, one of the Gupta's offshore companies in Dubai. Junior auditors at KPMG raised concerns about the way KPMG was auditing these company's books, yet they were firmly ignored. Senior KPMG auditors – including the senior auditor, who has since been removed from the auditor's roll, Jacques Wessels, attended the Sun City wedding.

### TRACING THE FIRST LINKWAY PAYMENT

The first payment of US$1 986 000 was sourced from the fourth tranche of money, R19.05 million, paid to Estina by the Free State government on 30 May 2013. This meant that the full amount paid to Estina by the government in this tranche was ultimately paid out of Estina to benefit the Gupta enterprise. The way it reached the Gupta enterprise was circuitous.



We also based some #UnaccountableProfiles on the #StateCaptureEnablers
https://t.co/cid7Xc9928

. @Nedbank and the @bankofbaroda — Banking on State Capture

https://t.co/HUZcxsOdte

. @HSBC - The World's Oldest Cartel

If Transnet was a golden goose for the Gupta family & their associates, then global banking giant HSBC played the role of tending their illicit nest eggs.

https://t.co/B8z1KqnyLU

In the case of Estina, @StandardBankZA & @FNBSA have questions to answer.

https://t.co/PwRM2BKxyT

Big consulting firms "take no credit and they accept no blame". This is true of @McKinsey- the only private sector firm to respond to our report. Read about the conduct at Eskom and Transnet and their response to us here:
https://t.co/hLc9N5AvzE

The report, graphics and fact sheets are all available for download from our website. You can access these resources here:
https://t.co/KRcVUVBD5M
#StateCaptureEnablers