

Corruption watchdog finds more than 20 banks handled money for Gupta companies in Transnet deal

More than 20 banks sent or received money to Gupta-linked companies, an investigation by the Organised Crime and Corruption Reporting Project (OCCRP) found.



Photo: Transnet

"Led by HSBC, these banks also included National Westminster in the UK, Wells Fargo in the US, India's state-owned Bank of Baroda, Habib Bank, Standard Chartered Bank, and a dozen Chinese banks like Bank of China and China Citibank," the report said.

The OCCRP investigated the flow of \$321m in "commissions" promised to Salim Essa by China South Rail after it was awarded a \$1.5bn contract by Transnet.

Much of this money was paid to Regiments Asia and Tequesta, two firms established on the same day, June 20 2014, which shared the same Hong Kong address.

OCCRP said it had information that Regiments Asia was founded by Trillian's former owner, Essa, and its current owner, Eric Wood - though Wood responded by saying he "unequivocally and categorically states that he has no knowledge of Regiments Asia".

"China South Rail sent the locomotive deal 'fee' to Regiments Asia and Tequesta in chunks ranging from \$100,000 to several million dollars. The bank data shows that, whenever Regiments Asia received a credit to its account, it was always from China South Rail - suggesting that the firm had been established precisely for this deal. Tequesta records show a similar pattern, with 90% of its money coming from China South Rail," the report said.

"Banking records obtained by the OCCRP trace a total of \$75m paid out by China South Rail after the contract was signed and \$39.8m in the three months prior to that. OCCRP did not have access to all records to track the full \$321m in payments," its report published on Wednesday said.

"The documents show that the money went first to Gupta-associated companies and then on to a series of small shell companies where much it disappeared. But some is traceable to payments on everything from coffee to luxury cars.

"Bankers often failed to flag a suspicious scheme, accepting large payments from the Chinese rail firm and then paying out a series of smaller payments to an array of shell companies controlled by the Guptas."

Source: *Business Day*

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