

Eskom losing well over R1bn a month through theft, says De Ruyter

By [Carien du Plessis](#)

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Eskom loses well over R1bn a month from theft, its former chief executive Andre de Ruyter told parliament on Wednesday, 26 April, saying a previous estimate he gave was conservative.



Former chief executive of Eskom, Andre de Ruyter. Source: Sumaya Hsham/Reuters

De Ruyter made the comments in a written submission to parliament's Standing Committee on Public Accounts (Scopa) seen by Reuters, following an interview to local news channel eNCA in February during which he made sweeping corruption allegations without detailed evidence against Eskom and the ANC.

Shortly after the interview aired, Eskom announced De Ruyter would leave his job immediately, cutting short a notice period he was serving after resigning.



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De Ruyter unable to corroborate details

De Ruyter said he could not corroborate or provide more detail about some of his allegations as he did not have documents and other material that remained with Eskom or law enforcement bodies. He said some of the sources through which he learned of alleged unlawful activities feared for their safety.

An Eskom spokesperson said the company noted "that nothing new surfaced from today's appearance of Andre de Ruyter at Parliament that is not already dealt with by law enforcement agencies".

Senior ANC official Fikile Mbalula has rejected the corruption claims De Ruyter levelled against the ruling party and labelled him a failure as CEO.

An Eskom spokesperson said the company noted "that nothing new surfaced from today's appearance of Andre de Ruyter at parliament that is not already dealt with by law enforcement agencies".

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Findings shared with Pravin Gordhan, said De Ruyter

The former CEO told Scopa on Wednesday that suspected theft and fraud at Eskom power stations could total over R1.4bn per month. He had previously estimated the losses at R1bn.

He said he had shared all of his findings with Pravin Gordhan, the minister with political oversight over Eskom.

"I would be very loath to expose myself to any further legal action, particularly in a public forum such as this hearing," he said, refusing to disclose the names of people allegedly involved in corruption.

He said the biggest losses for the utility could be from coal theft, estimating that if even 5% of Eskom's spending on coal was stolen, it would equal about R500m per month.

Fraud involving prepaid electricity vouchers could exceed R400m per month, he said.



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Internal resistance to additional controls

Fuel oil also gets stolen, De Ruyter said, adding that at one power station where he witnessed "excessively high fuel oil consumption", fuel oil costs were reduced by around R100m after additional controls were put in place.

Theft of infrastructure such as cables, overhead lines, transformers and conductors costs Eskom R170m per month, while theft in the procurement process could be up to R100m per month, de Ruyter said.

He said enhanced controls "have slowed down this type of crime, but internal resistance and non-compliance have hamstrung efforts".

ABOUT THE AUTHOR

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