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Zondo Commission: Hogan describes Zuma's meddling in Transnet CEO appointment

It was Siyabonga Gama or nothing for former president Jacob Zuma, when in 2009 Transnet needed a new Group CEO (GCEO) following the departure of Maria Ramos. Public enterprises minister at the time, Barbara Hogan, had presented a different candidate to lead the state freight utility, but this recommendation was rejected on the spot by Zuma. Hogan wanted Siphso Maseko – who was GCEO of BP Southern Africa at the time, and had been recommended by the board of Transnet.

Ramos left Transnet in February of that year, having served her notice since November of the previous year. The current public enterprises minister Pravin Gordhan had impressed the board as a candidate, but withdrew owing to his impending appointment as finance minister by Zuma. Transnet CFO Chris Wells was appointed to act in the GCEO position upon Ramos's departure and the board set out on their new search. The months that followed, however, would be characterised by what Hogan described as undue pressure from Zuma to appoint Gama, and other senior politicians painting Gama as a victim of abuse of power by whites.

Hogan was testifying at the commission of inquiry into state capture, which resumed its public hearings on Monday morning after a month's break. Maseko, she told the inquiry, had been considered during a second look at candidates, after Gordhan had withdrawn from the process.

All the necessary processes had been followed by the board to attain a suitable candidate, and rigorous assessments were run both internally and through an independent professional agency, and Maseko got a glowing report that Hogan then took to Zuma in June. She had been in her portfolio for just a month when the meeting happened. Zuma, said Hogan, was only interested in discussing Gama, despite the board not considering him as he lacked the required capabilities.

"He said there would be no appointments at Transnet until the disciplinary process against Siyabonga Gama had been completed," Hogan testified, saying she was shocked at this reaction. Gama's internal disciplinary process had started after he was involved in what his employer referred to as an "alleged serious breach of governance requirements" relating to two lucrative procurement contracts.

At the time Fred Phaswana had resigned as board chair, so a new board would have to be appointed later that year, but this would only happen after the appointment of the GCEO. The annual general meeting scheduled for later in the year also had to be postponed because of delays in appointing the GCEO.

At the time, Zuma had not enquired about the board's preferred candidate, nor had he asked Hogan about Maseko's qualifying criteria. He was not even interested in discussing him or his credentials, said Hogan. It was only at a subsequent meeting, about a month later, in July, that Hogan was able to go through Maseko's credentials with Zuma. She also outlined the corruption allegations against Gama. The response from Zuma this time around was that he would think about it and get back to her. When the next cabinet meeting was fast approaching, and he hadn't done so, Hogan wrote to him for approval to present the matter to Cabinet. What followed, however, was that she was placed at the centre of allegations of snubbing Gama simply because he was black.

Although the Transnet board had preferred to get an internal candidate, Gama was not recommended largely because of his sub-standard capabilities, explained Hogan. His involvement in misconduct allegations while part of the Transnet Freight Rail leadership, was also a factor.

Hogan named former minister of communications Sipiwe Nyanda and the current minister in the Presidency Jeff Radebe among those who publicly stated their displeasure at Gama being sidelined by Wells. In comments to the media at the time, the pair pushed the narrative that Gama's treatment was similar to that of Zuma himself after his dismissal as deputy president years earlier by Thabo Mbeki.

The allegations against Gama included the signing off on a tender relating to Nyanda's company without following due processes. At the time of the contract, Nyanda had not become a cabinet minister, and when he was appointed, he withdrew his directorship in the company.

Gama was suspended in September of the same year, and an investigation established. He challenged his suspension in the High Court, but lost. Maseko, on the other hand, had withdrawn his application. He has been GCEO of Telkom since 2013.

Hogan will resume her testimony on Tuesday 13 November.

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