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Zondo Commission: Hogan describes Zuma's glaring disregard for corporate governance

Only in the years following her dismissal in 2010 from Cabinet did former public enterprises minister Barbara Hogan gain insight into the extent of interference in state owned enterprises (SOEs) by Jacob Zuma. This she did, by "joining the dots" connecting different incidents and communications that made her believe that the reason for her dismissal was her refusal to toe the line in favour of Zuma's wishes.

The former president removed Hogan in a cabinet reshuffle at the end of October of that year, replacing her with Malusi Gigaba. She was not given an official reason for her removal, but was told that the ANC leadership had decided to redeploy her as ambassador to Finland. She declined this offer on personal grounds.

Hogan has told the commission of inquiry into state capture that she and Zuma had differed on a number of issues during her 18-month tenure in the position. One matter of particular importance that came up around 2009 was that of Siyabonga Gama, and Zuma's insistence that he be appointed group CEO of Transnet, despite Siphso Maseko being the board's preferred candidate.

During this period, said Hogan, she was able to see Zuma's glaring disregard for corporate governance, as she had repeatedly reminded him that Gama was facing allegations of misconduct within Transnet Freight Rail (TFR) – a subsidiary of Transnet that he led as CEO – while the board was considering candidates. Gama would be suspended in September. He was reinstated when the board found his conduct in awarding a tender to a company owned by Siphwe Nyanda, without following the proper procedure, had not caused damage to TFR.

On Monday Hogan told the commission that while she did not have the Transnet board's blessing to forward Gama's name to Cabinet, Zuma insisted that he be appointed once the investigation into his conduct had been completed.

At the time of Gama's reinstatement, Brian Molefe had been appointed GCEO, and when Molefe moved on to Eskom in early 2011, Gama was promoted to GCEO of Transnet. Some changes had occurred in the Transnet board by this time. Some members had left of their own accord, while others' terms of office had not been extended by Gigaba, said Hogan.

At Eskom, meanwhile, there was similar turmoil, except that it was an existing CEO, Jacob Maroga, who insisted on staying on, apparently also with Zuma's support. The relationship between Maroga and the board had deteriorated to the point that, when he is alleged to have angrily told a board meeting in late 2010 that it would be better for him to resign, the board quickly recorded, and accepted, this as a formal resignation.

For weeks after the incident, there would be back and forth communication between the board, Hogan and Zuma. Zuma ultimately insisted that Maroga stay on. Eskom chairperson at the time, Bobby Godsell, himself resigned, arguably out of frustration at Zuma's apparent interference. To his detriment, Maroga sent a letter to Hogan soon after returning to his office – he had been on special leave during the fracas – in which he said that he had an instruction to, and was accountable to "the shareholder at the highest level", which Hogan understood to mean Zuma. When Enoch Godongwana,

Hogan's deputy in the department and a senior leader within the ANC, confronted Zuma with this development, the president ordered Maroga to vacate his position.

South African Airways (SAA) was another case where Hogan noted irregular and questionable leadership as well as interference. She testified that a key route of SAA, to Mumbai in India, became the centre of attention for a company called Jet Airways, which was based in the Asian country. To her surprise, rumours of SAA plans to terminate the route surfaced in mid-2010. During an official trip to India, Hogan said she was accosted by Naresh Goyal, the chairman of Jet Airways, who seemed to have an interest in canvassing for taking over the route. She immediately sent a text message to then SAA chairperson Cheryl Carolus, asking if there was truth to the rumours, to which Carolus said no. Two months later, in August, Carolus told Hogan through a text message that the SAA board would appear in front of the Parliamentary Standing Committee on Public Accounts and that Goyal was lobbying hard for Jet Airways to cover the route.

Carolus left the board in 2012, along with several other members, citing a breakdown in relationship with Gigaba.

Jet Airways was mentioned for the first time at the commission by former ANC MP Vytjie Mentor, who claimed to have been offered Hogan's post in October 2010 by Ajay Gupta. During the conversation, said Mentor, Gupta allegedly told her that not only would a cabinet reshuffle make way for her as minister of public enterprises, but that once in that post, she would have to oversee the termination of the route to Mumbai by SAA.

Hogan concluded her testimony on Wednesday by thanking the commission for the opportunity to testify. She also offered some insight into the legal opinion, garnered during her tenure and through research, of challenges facing the governance role of SOEs in South Africa. She was asked by commission chair, deputy chief justice Raymond Zondo, to compile a report that the commission could consider in terms of its recommendations upon conclusion.

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