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Zondo Commission – toxic Transnet environment drove people away

In concluding her testimony before the commission of inquiry into state capture on Friday, former Transnet group treasurer Mathane Makgatho described a toxic environment that was so bad for her security and her health, it led to her resignation at the end of November 2014, just 20 months into the position.

“I was not going to play superwoman, I had four young kids,” said Makgatho, describing her reason not to stay on at the parastatal to fight the irregularities that she saw occurring.

“The environment was too toxic for me. I felt that I was no longer safe around that environment,” she told the inquiry. “I felt that I would be harmed.”

Furthermore, she explained, she worked on the assumption that all her phones were bugged and that she was being monitored.

The last straw for her was when a Regiments proposal was favoured over one that had been developed by her team in relation to the loan agreement with China Development Bank (CDB). Despite her warnings of the consequence of the loan being more expensive when based on the Regiments pricing terms, Makgatho was ignored. CDB was to finance the portion of Transnet’s 1 064 locomotives that were being supplied by China South Rail and China North Rail.

The agreement was signed after Makgatho had left, without her input, which clashed with what Regiments presented in its assessments. Even though she stood her ground, this only made her unpopular with former group CFO Anoj Singh, and she received no support from former group CEO Brian Molefe.

By this time, she said, her relationship with Singh had deteriorated to the point where they even used foul language in their engagements. By the time the CDB loan had become a chasm between herself on the one side, and Singh and Molefe on the other.

Makgatho’s last attempt to get Singh to understand her position on the loan was an e-mail attached to a memorandum from Treasury that gave its perspective on the loan agreement, saying in part: “for the purposes of board submission [of the draft loan agreement] it is prudent that we use our internal price that has been tried and tested and proved correct, even when we compare with external counterparties.” The pricing methodologies used by her team, she found, were not the same as those used by Regiments, and the latter were preferred by Singh.

She is not sure what happened to the memorandum she drafted, but Makgatho understands that instead of that memorandum, the board pack included a presentation with the misrepresented pricing terms. It was approved by the board.

Makgatho also believes that there was a meeting at which Regiments' former director Salim Essa was present, during which she was discussed as a stumbling block.

She was further made to believe that Taiwanese mafia were involved in the transaction. "That information paralysed me. I was afraid that my car had been tampered with. There was a time when I was having problems with my car, my car was failing me."

Makgatho was replaced by Phetolo Ramosebudi, who is currently under suspension pending an investigation into his relationship with Regiments. "I believe he was perfect for the mandate," said Makgatho. She described him as having been "compliant."

Several members of her team followed suit and left after her.

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