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Zondo commission - murky suspension process stunned Eskom execs

Former Eskom executives who were controversially suspended in March 2015 under a cloud of confusion went for months without any word from the board that assured them that there was nothing untoward about their suspensions. This despite efforts to get information on the establishment and terms of reference of an inquiry into their roles. Dan Marokane and Tsholofelo Molefe appeared before the commission of inquiry into state capture on Tuesday.

Marokane was head of group capital, while Molefe was the finance director at the time they were suspended. The other two who were suspended were CEO Tshediso Matona and head of commercial and technology Matshela Koko. Of the four, only Koko was reinstated months later.

Marokane testified that the news of his own suspension took him by surprise. He was on leave at the time, and only learned of a board meeting held on 11 March that decided his fate, when the company secretary called him that evening to ask him to present himself the next day. He was the last to receive the news, a day after his colleagues, and just hours before the board was to publicly announce the suspensions through a media statement. What puzzled him most, said Marokane, was that he had completed an important milestone with regards to power station maintenance just days before, a feat that had satisfied the board.

Just three weeks before, he had met with a board committee that was aligned to his area of work, and at no time during this engagement did he get a sense of their unhappiness. Molefe too spoke of prior meetings with the board's finance-related committees, and there too did not sense any reservations about her performance.

According to Molefe, Matona had, earlier in the meeting of 11 March, started to present a turnaround plan for Eskom, which was in a financial crisis and not meeting its energy supply demands. But this was interrupted when then public enterprises minister Lynne Brown arrived at Megawatt Park to join the meeting.

Brown asked Molefe and Matona to recuse themselves some time later, and that essentially marked the end of the strategy presentation and their terms at Eskom, because when they were called back in, one at a time, it was to be told that they were being suspended. The reason given, said Molefe, was that the board had resolved to establish an inquiry and saw it best to have the executives heading up the units under scrutiny step aside to make the process easier. Surprisingly, the head of energy generation was not suspended, she said.

Molefe queried her own suspension, pointing out that the power utility had been in a financial crisis for some time, a situation which preceded her appointment to the role in mid-2014. She was told, however, that it was not because she had done anything wrong, but because the board sought to encourage a clean process free of possible intimidation of witnesses. Rumours had been abuzz in the

office on the afternoon in question, she said, with several colleagues having asked her if it was true that she would be suspended.

On Monday, private consultant Nick Linnell told the commission that he initiated the process of suspensions when approached by then SAA chairperson Dudu Myeni to help with coordinating the inquiry process. He defended the decision, saying in his experience it was a necessary step in ensuring smooth investigations. Linnell conceded that Eskom's chairperson at the time, Zola Tsotsi, expressed opposition to the idea during a discussion on the matter that was held with former president Jacob Zuma days before.

In previous evidence, former head of legal Suzanne Daniels told the commission of an incident where Koko had taken her to meet Gupta associate Salim Essa in Melrose Arch, Johannesburg. Essa asked her for advice on the legal process involved if executives were to be suspended. Marokane's evidence is that Daniels called him to tell him of the conversation, but he could not connect it at the time to the events that would follow.

Both Molefe and Marokane testified that the board ignored all their efforts to be kept up to speed with developments. It was only later that Molefe learned that board infighting had resulted in Tsotsi's resignation – he was replaced on an interim basis by Ben Ngubane. It was Ngubane who facilitated meetings with each of the executives for face-to-face engagements with board members, where they would learn for the first time that Eskom had prepared separation agreements. Marokane told the commission that it was inevitable for him, as he had made the decision that he could no longer work with a board he could not trust. For Molefe it came as a surprise when board member Venete Klein presented her with a proposal outlining how she would be remunerated upon separating from Eskom. She considered legal action for some time, she said, but decided against it, eventually settling.

Earlier in the day, she told the commission how Matona's predecessor, Colin Matjila, had attempted to strongarm her into accepting a consulting arrangement with Regiments Capital. Molefe met both Essa and Eric Woods of Regiments on separate occasions, at the behest of Matjila, but would not submit to pressure to work with the company as they offered nothing that could not be sought through open tendering, she said.

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