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Zondo commission – Gama denies involvement in Gupta company’s locos windfall

The state capture commission will have to quiz former Transnet group treasurer Phetolo Ramosebudi to get answers on how the parastatal ended up paying Trillian Capital for work done by competitor Regiments Capital. The work related to negotiating the R12-billion club loan acquired in 2015 to help fund Transnet’s 1 064 locomotives project.

This is the view of former Transnet CEO Siyabonga Gama, who appeared before the commission on Friday. He said he had no involvement in the negotiations process for the loan, and only came in at the tail end to approve a memorandum recommending the appointment of Trillian as lead arrangers, penned by Ramosebudi to the board.

“I think the treasurer, Mr Ramosebudi, is the right person to talk to that. I can’t talk to this, I was given the impression, even the understanding ... that Trillian had done this club loan arrangement work. So I don’t know, if I were to say let’s look at what the work was, what it is I would look for.”

The appointment, said evidence leader Advocate Anton Myburgh, did not follow procurement processes, and was done on the basis that Regiments asked Transnet to cede its existing contract as loan negotiators to Trillian. Several Regiments executives were in the process of forming breakaway Trillian at the end of 2015, the time of Gama’s approval.

On the back of this approval, Trillian was paid R93-million in December 2015. Things got complicated, however, when Regiments later demanded payment, saying in a letter to Transnet that it had paid to the wrong company, as it was them that had done the work.

“The treasurer indicated to us that they had done the club arrangement.”

Ramosebudi conceded in his testimony in November last year that Trillian was not qualified to carry out the work. When asked by commission chairperson Deputy Chief Justice Raymond Zondo at the time why he supported Trillian even after he learned that the company did not have the capacity, Ramosebudi answered: “At the time, I did not see it the same way. I should have indicated that Trillian was going to provide different services from what JP Morgan was going to provide.”

“Did you witness any work being done by anyone at Trillian?” Myburgh asked Gama.

“Mr Myburgh, I’ve said to you that I didn’t do any of this work, I didn’t get involved in these financial things. My involvement is when Ramosebudi said we must go to the acquisitions and disposal committee, Trillian has been doing this work, we must change from JP Morgan, we must change from underwriting to create a club loan.”

It was one of the reasons Gama appointed investigators in 2016 to probe the legality of the arrangement Transnet found itself in. A result of this probe was that Trillian’s contract with Transnet was terminated in October that year, Gama said during his appearance earlier in the week. Previous evidence presented to the commission revealed that Regiments itself had not gone through a

competitive process to be appointed negotiators, having been slotted in to replace JP Morgan. This was according to the findings of Mncedisi Ndlovu Sedumedi Attorneys, which was appointed in 2018 by the current Transnet board to investigate the locomotives project. The same memorandum from Ramosebudi that recommended Trillian, cited that JP Morgan would be moved to another role in the negotiations process, to deal with China Development Bank.

It was put to Gama that from the R93-million paid to Trillian by Transnet, R74-million went to a company called Albatime, owned by Kuben Moodley, a Gupta associate who worked with Salim Essa at Regiments. It was later laundered through shell companies also associated with the Guptas, on which the commission will be hearing evidence in May.

Gama is scheduled to return to the commission on a yet to be disclosed date.

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