

# Turbulence hits SAA as Hawks start probe

By [Carol Paton](#)

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The stakes in the [internal drama](#) at South African Airways (SAA) were raised yesterday with the surprise announcement by chairwoman Dudu Myeni that the Hawks are now to be drawn into the fray.



Nblween via [Wikimedia](#)

There are also indications from SAA pilots that their fight to unseat Myeni is not over, and that all avenues, including industrial and protest action are under consideration.

SAA has been beset by financial problems and conflict between Myeni and a host of senior executives, most of whom have now departed. While the executives blame the instability on Myeni, who has derailed several key commercial transactions, Myeni and the head of the audit committee, Yakhe Kwinana, have implied that the executives concerned are corrupt. Most have been subjected to successive forensic inquiries commissioned by the board.

## The Hawks swoop in

On Tuesday, Myeni confirmed to Business Report that the directorate of priority crime investigations - known as the Hawks - had written to her to inform her that it will conduct an investigation into losses at SAA. SAA spokesman Tlali Tlali said yesterday that the investigation was initiated by the Hawks and not by SAA and referred all questions to the directorate. The Hawks' involvement in the drama raises the stakes in the battle between the board and SAA's executive management.

As the Hawks have come to play an increasingly politicised role in criminal investigations pertaining to the state, their involvement, insiders believe, is an ominous sign that more executive casualties are to come.

## Route changes

Underlining this is the thin rationale provided by the Hawks for the investigation. In a letter to Myeni - which was reported in Business Report yesterday - Hawks brigadier Nyameka Xaba said that the closure of routes to Senegal and Mumbai would form the subject of the probe. However, the changes made to these routes formed a key ingredient of SAA's long-term turnaround plan and were based on detailed commercial investigations into each business case.

SAA's complete network plan was again re-evaluated as part of the 90-day turnaround plan in March this year. The Mumbai route, for instance, was responsible for losses of R180m a year.

Rerouting of the Johannesburg-Washington flight via Ghana rather than Senegal was done to mitigate losses of R50m to R100m a year. Tlali confirmed that the route changes had all been part of the corporate plan, approved by the treasury.

"Business plans on these routes were submitted and approved. Concerns later surfaced about the correctness of the information, (provided by executives) and this led to an ENS investigation," Tlali said. He did not disclose the outcome of the investigation or whether it had recommended criminal charges.

## **Impending repercussions**

However, when briefing Parliament two weeks ago, neither Myeni nor Kwinana mentioned the ENS report. Instead, they referred to an investigation by auditors EY, which did not look into the route changes. It is also not known whether the EY investigation made any recommendations for criminal charges. It seems unlikely though, as in high-level briefings to directors on the findings, criminal activity was not mentioned.

It also emerged that the SAA Pilots Association had called a second general meeting within a month to deliberate on protest action against Myeni. At an earlier meeting last week the pilots passed a vote of no confidence in Myeni.

The association would not comment yesterday, but it is known to be exploring options that include industrial action or protests. The options are to be tabled next Thursday.

*Source: Business Day*

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