

Former Prasa CFO must pay back just over R8.2m

 By [Kyle Cowan](#)

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Former Passenger Rail Agency of SA (Prasa) chief financial officer (CFO), Fenton Gastin, must pay back just over R8.2-million he received in terms of invalidated contracts signed by the agency's now disgraced CEO, Lucky Montana.



The Pretoria High Court last week ruled that two contracts entered into with Gastin by Montana "in a deliberate attempt to defraud" Prasa were invalid and that he must refund his former employer.

The first contract was his hiring as CFO and the second was a day-to-day contract given to him by Montana after he had been fired.

The papers filed at court claim that if the contracts Montana signed were allowed to continue in effect Gastin would score more than R19-million over five years even if he did not do a day's work for Prasa.

Intention to oppose Prasa's application

Gastin's attorney, Victor Nkhwashu, told *The Times* that he had not seen the judgment but was adamant that he had sent notice that his client intended to oppose Prasa's application. Although the court papers mention that investigators could not find records of the decision by Montana to award the contracts, as CEO of Prasa he had signed them.



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Gastin, court papers charge, was promoted to group CFO in April 2012 by Montana after serving as Prasa's group chief risk officer for two years.

No board approval could be found supporting this appointment on a package of R3-million a year.

But in terms of the April contract, it was decided he would be paid a total of six months' salary as a severance package - despite his having signed a five-year fixed term contract with Prasa, which was still in effect even though his job description had changed.

"I submit that payment of this compensation was a deliberate ploy by Montana and the respondent [Gastin] to pay the respondent monies that were not legally due to him," said Prasa group chief strategy officer, Siphosithole, in an affidavit which formed part of Prasa's application to the court.

Fourteen months into his tenure as group CFO, Gastin was axed. Prasa's human resources head at the time, Leba Mashao, told Gastin by letter that the decision to terminate his contract at the end of September 2013 was due to the company's operational requirements and that trust between Gastin and Prasa had "irrevocably broken down".

But Gastin was paid R3.3-million, more than his annual salary, for the 12-month remainder of his contract - despite being due only six months of pay.



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This was a "deliberate overpayment", Prasa charged.

Effectively - and despite what had been said to be an irrevocable breakdown of trust - Gastin was appointed acting group CFO at R2400 an hour or R264 000 a month, a day after he was fired.

Source: The Times

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