

SA to help Lesotho sue corrupt contractors
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THE South African government is in talks with Lesotho to work out how to provide funds to help the kingdom bring corrupt contractors in Africa's largest dam and water project to book.

Lesotho won international acclaim for its dogged prosecution of corporate giants who bribed officials in the Lesotho Highlands Water Project to win contracts.

But this came at considerable financial cost to the impoverished country, which is facing a food crisis, soaring HIV infections and the cost of relocating communities to make way for dams.

Aware of the liabilities facing Lesotho, such as costly appeals from companies found guilty of corruption and new prosecutions against companies and local officials, Water Affairs and Forestry Minister Ronnie Kasrils recently held a meeting with his counterpart in Lesotho to discuss ways in which SA could assist.

Willie Croucamp, the department of water affairs official responsible for the Lesotho project, said funding would have to come out of the project, which was not funded by taxpayers, so careful consideration would have to be given to deciding which cases would receive funding.

"This is not government money so there must be a reasonable chance of success - and of a civil case afterwards so the project can claim back the money paid out as a bribe," he said.

"This money was added to the cost of the contract by companies and the project bears the cost."

When Lesotho began its mammoth investigation into corruption at the water project it believed it would be receiving international assistance, following promises by the World Bank, European Investment Bank, European Union and representatives from SA and Britain at a meeting in Pretoria in 1999. This funding was never provided.

Croucamp said SA had provided every other form of assistance, from legal to investigative aid, since the first irregularities came to light in the early 1990's.

Lesotho's auditor-general, Fine Maema, said he was hopeful that something would come of the continuing investigations.

Speaking at a conference on corruption in southern Africa, hosted by the Institute for Security Studies, Maema said there would be new prosecutions in the future, with the first case coming to court by the middle of the year.

Italian company Impregilo, which led the Highlands Water Venture consortium that built the Katse dam, is being investigated, according to Maema.

Recently the Lesotho Appeal Court upheld the conviction of companies belonging to a consortium, including SA companies Concor and Group Five; British companies Keir International and Stirling International; and German company Hochtief for paying

Lesotho Highlands Development Authority head, Masupha Sole, a bribe of \$ 375000.

Maema said they used testimony from a South African consultant who had admitted receiving money from the companies to bribe officials.

Maema hinted that senior government officials might be charged, saying they were "not afraid to call anyone to account for their crimes".

Canadian firm Acres lost its appeal last August and the World Bank is considering blacklisting companies convicted of corruption and bribery. Such firms include Spie Batignolles, now part of Amec, and British firm Gibbs.

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