

Canadian firm loses appeal against Lesotho bribery conviction
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A Canadian construction firm lost an appeal against a bribery conviction in a Lesotho court Friday when it was found guilty of paying off an official to win contracts in a water project in the mountain kingdom.

Judge president Jan Steyn told the court that Acres International had exploited the Lesotho Highlands Water Project (LHWP), which was meant to help the tiny country, which is surrounded by South Africa, to develop economically.

"The water project was a visionary initiative to put the country back on the road to economic recovery," he said.

"Its exploitation by the appellant (Acres) was motivated by greed."

He added: "Lesotho is a small country with limited resources. This corruption damaged the development project and harmed employment in Lesotho."

Acres was found guilty in October last year of paying bribes totalling 436,000 dollars to the former chief executive of the Lesotho Highlands Development Authority (LHDA), Masupha Sole.

Sole is serving an 18-year prison term for receiving more than one million dollars from international companies involved in the project.

The LHDA is responsible for overseeing the LHWP, a multi-dam scheme -- worth around two billion dollars -- to divert water from the Maluti Mountains to South Africa in order to generate electricity.

The court however, upheld an appeal by Acres against a second charge, in which it was convicted of depositing 180,000 Canadian dollars into the account of Soles' wife.

It subsequently reduced the fine against Acres from 2.9 million dollars (2.5 million euros) to 1.9 million dollars.

In June, German engineering company Lahmeyer became the second international firm to be convicted of massive bribery in LHWP.

Lahmeyer was found guilty on seven counts of paying bribes totalling 5.9 million maloti (783,000 dollars, 687,000 euros) to Sole. It will face sentencing on August 26.

Chief Justice Mahapela Lehohla, who convicted and fined Acres, said at the time: "This is the first time a First World company (operating) in the Third World has been convicted of bribing a public official. The amount is staggering... and great harm has been done to Lesotho."

Other cases are pending against multinationals, and guilty verdicts are likely to jeopardise participation in projects financed by international institutions such as the World Bank and the International Monetary Fund.

The Swiss-Swedish engineering group ABB is accused of paying 40,410 dollars in bribes and its French rival Bouygues is accused, with a consortium of seven other companies, of paying 733,404 dollars.

The LHWP is also made up of British firms Keir International and Stirling International, South African firms Concor and Group Five, Italy's Impregilo and the German company Hochtief.

French groups Spie Batignolles and Dumez International are accused of paying bribes of 119,393 dollars and 82,422 dollars respectively; Italy's Impregilo 250,000 dollars; and Diwi Consulting and ED Zublin, payments of 2,439 dollars and 2,439 dollars respectively.

Another consortium, Lesotho Highlands Project Contractors, is accused of making payments of 57,269 dollars. It includes British firm Balfour Beatty, as well as Spie Batignolles and ED Zub.