

KASRILS WELCOMES LESOTHO BRIBERY SENTENCE

October 29, 2002

South African Water Affairs and Forestry Minister Ronnie Kasrils on Tuesday welcomed the fine imposed on a Canadian company found guilty of bribing an official of the Lesotho Highlands Development Authority. Acres International, a Canadian firm of engineering consultants, was fined R22,5-million in the Lesotho High Court on Monday for bribery linked to the Lesotho Highlands Water Project which supplies water to South Africa. The court convicted the company on two counts of bribery totalling R6,47-million. The charges involved the payment of bribes to the former chief executive of the Highlands Development Authority, Masupha Sole. In a statement released on Tuesday, Kasrils congratulated his Lesotho counterpart, Monyane Moleleki, on the action taken against the company by his government. Kasrils expressed the hope that the message that corruption in Africa would not be tolerated would "get across loud and clear to the international community". Acres International was the first international company to be found guilty of bribery and fined for it. Sole earlier this year was sentenced to 18 years in prison for receiving bribes from international companies involved in the construction of the project. Kasrils said that the conviction of Sole and Acres International had far-reaching implications for international construction companies. "In particular, the use of so-called 'representation agreements' with local companies or individuals to conceal acts of bribery has been exposed." More companies would be prosecuted for allegedly bribing officials. A court ruling was being awaited against the German company, Lahmeyer International GmbH, which applied to have charges against it dismissed. Meanwhile, Acres International indicated on Monday night that it would appeal the High Court sentence imposed on it. "Acres International said... that it was equally disturbed and dismayed by the Lesotho trial judge's sentence, as it was by his earlier unjustified decision," the company said in reaction. The company denied the charges against it and said it was committed to "strongly defending" its reputation. "Acres is proud of its 78-year unblemished record of ethical business practice, and for the high reputation it has earned in assisting developing countries." It said it had employed a Lesotho engineer as its representative in that country and was unaware that he had secretly been paying some of his fee to the director of the water project, Sole. "The payments were entirely between the representative, who is now deceased, and the director of the water project. "Acres had no knowledge of any payments, had no motive for them and received no benefit."