

ELECTRICAL COMPANY MUST STAND TRIAL IN LESOTHO BRIBERY CASE

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One of the world's leading electrical companies, Schneider Electric, was ordered this week to stand trial in Lesotho for alleged bribery involving R16 million. Judge Thamsanqa Nomngongo of the Lesotho High Court ruled on Thursday against Schneider. This was in an application in which the global giant denied that it was brought properly before the court. It has been charged with 17 instances of bribery, all related to the construction of the now-completed Lesotho Highlands Water Project. French-based Schneider boasts operations in 130 countries, with annual sales in billions of euros. In his ruling this week, Nomngongo accused Schneider of spinning in France "an intricate web of corporate manipulation with its yarn reaching over to the Kingdom of Lesotho". This scam was "meant to mislead and calculated to deceive us in Lesotho". For no demonstrable reason it happened around the time when the net was closing around Masupha Sole (to whom the alleged bribes were paid), the judge said. Sole is the former head of the Lesotho Highlands Development Authority. He is currently serving a lengthy prison sentence for accepting bribes from a number of contractors. Schneider's predecessor in Lesotho, Spie Batignolles (SUBS: CORRECT), was suspected to be one of them. However, Schneider maintained that the official on whom the indictment for the alleged bribery was served, was not one of its employees. Therefore it was not brought properly before the Lesotho court and could not be tried, the company argued. Schneider alleged that the original Spie Batignolles entered into a contribution and divestment agreement with another French company called Gesilec. With this, all Spie's assets and liabilities in Lesotho Highlands contracts were transferred to Gesilec. The original Spie merged with Schneider in 1995, but Gesilec carried on doing business in Lesotho under the name Spie Batignolles. Martin Walter Lins, the employee on whom the bribery indictment was served, worked for this company, Schneider maintained. Nomngongo rejected its arguments. The necessary legal changes were not effected in Lesotho, he said. "Whatever happened in France, nothing happened in this country." The judge called Schneider's application a red herring intended to deflect attention from the criminal case against it. He ordered it to reappear on June 1 next year in his court for the trial to start. Spie Batignolles won contracts worth millions of rand in the Highlands project. Just one of them was worth some R582 million in 1990. Schneider is the third multinational to be prosecuted in Lesotho for bribery related to the water project. Advocate Guido Penzhorn SC, head of the prosecuting team, said on Friday he was confident that the trial would commence on the scheduled date.