

# News articles - Lesotho

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## German company fined for bribery

**Maseru:** A German engineering company was fined 10.65 million maloti (\$1.4m) by a Lesotho court on Tuesday after being found guilty of paying bribes in a massive water project. The Lesotho High Court found the firm, Lahmeyer International, guilty of paying bribes totalling more than five million maloti (\$670 000) to the former chief executive officer of the Lesotho Highlands Development Authority (LHDA) from 1992 to 1997.

"The courts in Lesotho took a serious view of bribery, in that corruption attacked the administration of the public service and bedevilled good governance," Judge Gabriel Mofolo said while handing down sentencing. Former LHDA head Masupha Sole is currently serving a 15-year prison term for receiving more than \$1m from international companies involved in the project, a \$2 billion hydro-electric scheme that diverts water from Lesotho's Maluti Mountains to South Africa. The project supplies both water and electricity to South Africa, which surrounds its small mountain neighbour.

The court found that Lahmeyer had paid various amounts into the accounts of a Lesotho engineer and his wife as intermediaries through Swiss bank accounts. The couple transferred portions of the amounts to Sole's accounts in Switzerland and Ladybrand in central South Africa. Lahmeyer attorney Mokhele Matsau said the company, the second convicted in the wide-ranging bribery scandal, would appeal the sentencing.

In October last year, the Lesotho High Court fined Canadian engineering firm Acres International almost \$3m for bribery in the water project, a fine reduced on appeal to \$2m. Other cases are pending against multinationals including the Swiss-Swedish engineering group ABB and French groups Bouygues, Spie Batignolles and Dumez International. The LHWP is also made up of British firms Keir International and Stirling International, South African firms Concor and Group Five, Italy's Impreglio and the German company Hochtief.

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