

NPA Collaborates With DPCI To Deliver On Its Commitment To Enrol Seminal Matters As Part Of Its Ongoing Response To State Capture And High-Level Corruption

on 30TH SEP 2022

The National Prosecuting Authority (NPA) committed to enrolling nine seminal matters before the end of September 2022 as part of its constitutional mandate to take decisive and visible action against high-level corruption and state capture.

The National Director of Public Prosecutions, Advocate Shamila Batohi, first made this ambitious announcement during the NPA's briefing to Parliament's Portfolio Committee in March this year. This commitment forms part of the NPA's six-month priority plan to deal with state capture and high-level corruption.

The plan was coordinated by a dedicated Task Force within the NPA working in close collaboration with the SAPS' Directorate of Priority Crime Investigations (DPCI) and other law enforcement partners.

The cases listed below are seminal because they exemplify the workings of state capture, involving accused persons from both government and the private sector who allegedly played vital roles in repurposing state institutions, siphoning off public funds for private gain and committing the most damaging forms of high-level corruption, including crimes committed as part of the state capture project.

These cases are the product of long-standing investigations undertaken by the NPA's Investigating Directorate (ID) and Directors of Public Prosecutions, in close cooperation and collaboration with the DPCI.

Seminal cases enrolled in the past six months, which list is not exhaustive, include:

Estina Dairy Farm (R280 million) – Former Free State MEC of Agriculture, Mosebenzi Zwane was arrested and appeared in court on 28 September 2022, alongside two other accused Ugeshnie Govender (Sahara) and Ronica Ragavan (Islandsite). They face charges of fraud, corruption and money laundering.

Estina Dairy Farm (tax fraud) – R37.7 million tax fraud case of two Gupta brothers' associates, Kamal Vasram and Saliesh Indurjeeth, which was enrolled in the Pretoria Regional Court on 27 September 2022 and set for trial in March 2023. Arising from a joint investigation by SARS and the ID, the accused face charges of fraud, contravention of Section 54(1)(A) of the International Trade Administration Act and Regulation 22 of the Exchange Control Act.

SAPS R54-million Tender Corruption: Former National Commissioner of Police, Khomotso Phahlane and others were arrested and appeared before the Specialised Commercial Crimes Court on 21 September 2022. They face charges related to R54m procurement corruption in the Crime Intelligence Division in 2016. Members of the top echelons of law enforcement are facing justice, whereas it would not have been possible a few years ago.

Transnet R398.4 million corruption case – Former Transnet Group CEO, Brian Molefe, former Group CFO Anoj Singh, as well as Regiments Capital Directors Niven Pillay and Litha Nyhonhya, were charged with contravention of the PFMA and fraud on 29

August 2022. They joined former Transnet Group CEO Siyabonga Gama, former Group CFO Garry Pita and others who were charged on 27 May 2022.

A key focus of this case included McKinsey SA (represented by former principal, Vigas Sagar) and former employee, Goitseone Mangope, who was brought before the court on 30 September to be joined as co-accused. The matter will return to court on 14 October.

Transnet is one of the primary and emblematic sites of the massive looting of state funds at the peak of the state capture era.

Enrolling these cases is therefore an important milestone and outcome of our complex investigations.

Tegeta Exploration R107.5 million corruption case: case pertains to how a former DDG in the Department of Mineral Resources, former Tegeta Exploration and Resources Director and a former trustee of Optimum Coal Mine allegedly illegally utilised mine rehabilitation funds for the Optimum Coal Mine trust account and Koornfontein Mine trust account in 2016. Enrolled a few weeks ago, the accused are Ronica Ragavan & Others.

OCM/OCT Preservation application: The Gauteng High Court granted preservation orders to the NPA's Asset Forfeiture Unit (AFU) against those involved in "financing" the purchase of Optimum Coal Mine (OCM) for R2.1 billion by the Gupta-owned Tegeta Resources. The scale of the "heist" at OCM is unprecedented. Valued at R3.4-billion, this is the largest preservation order in the AFU's history. Further investigations are underway.

Asea Brown Boveri (ABB) and Impulse: Four former employees appeared before the court on 12 July, charged with corruption, fraud and money laundering in the R549.6 million case related to Eskom projects. Eskom was at the core of state capture, seemingly enabled by senior executives, while its effects are felt daily by ordinary South Africans.

Eastern Cape Chief Director of Community Safety and Liaison R3.5 million Bribery case: The case involving the Eastern Cape's Chief Director of Community Safety and Liaison, Neil Naidoo and businesspersons Kenny Govender and Matthew Pillay's attempt to bribe investigating officials from the NPA's Investigating Directorate, with R3.5 million to halt investigations into a multimillion-rand national police tender that they were involved in.

SAPS R8.5 million PPE contract (13 October 2022): Case involving corruption in the order of R8.5million about the procurement of SAPS Personal Protective Equipment (PPE) and plumbing material. The matter initially enrolled as an R1.9m PPE corruption case but has now escalated to R8.5m. The total number of accused now stands at 26.

SA Express: Matter relating to an allegedly unlawful contract between the North West Department of Community Safety and Transport Management and SA Express, for the rehabilitation and reintroduction of flights at Mahikeng and Pilanesberg Airports. Over R221 million paid out by the Department into SA Express was laundered through a scheme which involved Koroneka and others. The accused were brought to court on 30 September 2022, charged with fraud, corruption, money laundering and contravention of the PFMA.

Winnie Madikizela Mandela Museum (Brandfort) –Matter enrolled on 21 September 2022 relating to the alleged misuse of money in a project coordinated by the Department of Sports, Arts and Culture and Lejweleputswa District Municipality to rehabilitate the Winnie Madikizela Mandela Museum in Majwemasweu, Free State, which resulted in a loss of more than R700 000. Five people, including a former head of department and two former municipal managers of Lejweleputswa District Municipality, were charged with fraud.

These cases are a clear indication that the wheels of justice are in motion and that impunity for high-level corruption is no longer a given. They are also reflective of our two-pronged strategy to deal with corruption: prosecuting perpetrators and recovering the stolen money.

We will continue to act with the same sense of urgency as we have done in the last six months, in our relentless pursuit of justice and accountability. Nonetheless, as a country, we must recognise that we will not prosecute ourselves out of decades of state capture.

As we continue to give effect to the recommendations of the State Capture Commission and restore faith in the rule of law, the NPA and its partners will explore all avenues – prosecutorial and non-prosecutorial - hold accountable those responsible for state capture and other forms of corruption, which have decimated our economy, exacerbated poverty and inequality, and plundered our country to crisis levels. The NPA will take bold and innovative steps, to bring justice and restitution to the nation.

ENDS

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