



# SPECIAL TRIBUNAL

EST: ACT 74 OF 1996

All Media

30 August 2021

## **JUDGMENT IN THE R18, 4 MILLION FRAUD AND CORRUPTION TRIAL OF THE FORMER TRANSNET EXECUTIVE: CAPITAL PROJECTS,**

The Special Tribunal will on Tuesday (tomorrow) hand down judgment in the R18, 4 million fraud and corruption case involving the former Transnet Executive for Capital Projects, Mr Linyenga Herbert Msagala.

The handing down of the judgment follows the week-long trial conducted in May where Mr Msagala stood accused of making several irregular payments during his tenure at Transnet through a company identified as IGS Consulting Engineers (IGS). Mr Msagala defended the proceedings up until the commencement of the trial. He elected not to participate in the proceedings after his application for the postponement of the trial was dismissed.

His wife, Lorretto, and daughter, Bonolo, who are also cited as respondents in the civil recovery proceedings also left with him resulting in the trial held in their absence.

It is contested that Mr Msagala improperly earned secret profits from IGS, which at the time, was a supplier contracted to Transnet with Mr Sipho Sithole as its sole shareholder and director.

It is alleged that between 1 January 2015 and 31 December 2016, IGS was awarded a series of contracts by Transnet Capital Projects. These include the construction of the 715 kilometre multi-product pipeline for the high-pressure pipeline for the high liquid pressure transportation of the liquid petroleum for the high petroleum products from Durban to Heidelberg in Gauteng Province.

The Plaintiffs allege that IGS was paid in excess of R160 million for the service rendered under the contract. It is further alleged that during the same period IGS and Sithole made several substantial payments to Mr Msagala through his bank account or into the Msagala Investment Trust of which he is a co-trustee and a beneficiary. Some of the payments were allegedly made by Sithole on Mr Msagala's behalf.

Mr Msagala has since been dismissed by Transnet following disciplinary processes. The Special Tribunal last year granted an order preserving his pension benefits pending finalization of the civil recovery proceedings. He unsuccessfully challenged the order and his leave appeal petition was dismissed.

On 17 November 2020, the Special Tribunal declared his assets declared forfeit to the State

His properties include two houses in Gauteng Province, two in the Free State, a farm and 35 vehicles.

Judgment will be granted virtually and will be live streamed on the Special Tribunal YouTube Channel: <https://youtu.be/ux8nBnenAXo>

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