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**MEDIA STATEMENT  
FOR IMMEDIATE RELEASE  
22 OCTOBER 2024**

**SIU WELCOMES THE ARREST OF FORMER TRANSNET GROUP CAPITAL CEO ON FRAUD AND  
MONEY LAUNDERING CHARGES**

The Special Investigating Unit (SIU) welcomes the arrest and court appearance of former Transnet Group Capital (TGC) Chief Executive Officer Herbert Msagala. He appeared before the Johannesburg Specialised Commercial Crime Court on fraud, corruption, theft, and money laundering charges. Following his first appearance, Mr. Msagala was granted R60,000 bail.

The arrest and court appearance follows a thorough investigation by the SIU, which uncovered that Msagala unduly benefited from kickbacks worth over R26 million from IGS Consulting Engineering, which he allegedly used to purchase properties and vehicles.

The SIU's investigations focused on contracts totalling over R194 million that TGC awarded to IGS Consulting Engineering. These contracts were related to maintaining and upgrading high-pressure pipeline infrastructure as part of the New Multi-Product Pipeline project, which transports various fuel products from Durban to Gauteng. Msagala improperly benefited from kickbacks exceeding R26 million from IGS Consulting Engineering. The SIU investigated under the authorisation of Proclamation No. 11 of 2018.

In line with the Special Investigating Units and Special Tribunals Act (SIU Act), where the SIU finds possible criminal evidence, it must refer the evidence to the National Prosecuting Authority for further action. In 2020, the SIU made criminal referrals against Msagala and others, which led to him being charged alongside two individuals and IGS Consulting Engineering being charged as an entity. While the individuals are yet to appear in court, the Directorate for Priority Crime Investigation (Hawks) is actively tracing their whereabouts.

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In July 2020, the SIU obtained a preservation order from the Special Tribunal to preserve Msagala's pension benefits and assets. The assets included 35 luxury vehicles and five properties, which comprised two farms and houses in gated estates, valued at over R18 million. Msagala attempted to overturn the order but lost his appeal in November of that year. As a result, his properties and pension fund have been forfeited to the State.

The SIU is authorised, under the SIU Act, to initiate a civil action in the High Court or a Special Tribunal in its name to address any wrongdoing identified during its investigation resulting from acts of corruption, fraud, or maladministration.

The criminal case has been postponed to November 19, 2024, to allow for further investigations and to trace the outstanding suspects. The SIU will continue to support the prosecutorial process and ensure that all individuals implicated in corruption are brought to justice by the law.

The prosecution of Msagala is part of implementing the National Anti-Corruption Strategy, which sees law enforcement agencies coming together to eradicate corruption in South Africa and ensure the continued cleaning up of government departments from corruption.

**END.**

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