



Road Traffic
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The Road Traffic Management Corporation (RTMC)
is an Agency of The Department of Transport and a
Member of the United Nations Road Safety Collaboration

MEDIA ADVISORY

To : All News Editors

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Attention: News Reporters / Transport Reporters / Newswires

PROMINENT TRUCK AND BUS OWNERS ARRESTED AND CHARGED IN CONNECTION WITH ALLEGED MULTI MILLION RAND VEHICLE LICENCE CORRUPTION

A prominent Mpumalanga truck and bus owner has been arrested in connection with R89 million fraud and corruption charges related to vehicle licence fees in the Mpumalanga province.

Mr Morris Robert Shabalala (58), who owns a fleet of buses and semi-trailers registered under the trade name Lamavuso Family Trust, appeared in the Mbombela Magistrates Court this morning facing charges of fraud, theft, and money laundering. He was released on R15 000 bail.

Mr Shabalala's arrest is linked to the arrest of 17 other suspects who include two businesspeople, five former Mpumalanga Department of Community Safety, Security and Liaison employees and licensing officials based at Mbombela, Piet Retief, Mashishing, KwaMhlushwa and Delmas registering authorities. The arrests took place between December 2022 and April 2023. All the suspects including Mr Shabalala will appear in the Mbombela Commercial Crimes Court on 30 August. They are currently out on bail.



Board of Directors: Ms N Mufamadi (Chairperson), Prof. M Mphahlele, Ms T Thankge CD(SA), Dr E Thebe, Adv. X Stemela, Ms L Magalo, Prof C Twala, Mr NJ Kudzingana, Adv. J Makgatho*
Chief Executive Officer: Advocate MS Msibi
Company Secretary: Ms S Petse
**Departmental Representative*

It is alleged the Mpumalanga Department of Community Safety, Security, and Liaison former staff members, who worked at the department's helpdesk, colluded with the licensing officials to fraudulently issue vehicle licence discs to corrupt fleet owners and company representatives.

Initially it was thought that the scheme was operated between 2018 and 2019 and cost the state R60 million in lost revenue i.e. unpaid vehicle licence fees and penalties. However, further investigations showed that more crimes were involved, and the scope of the investigation was extended to 2016 and this showed that R89 million is the amount of revenue lost in unpaid fees in the period 2016 to 2019.

A lengthy collaborative investigation by the Road Traffic Management Corporation's National Anti-Corruption Unit, the Hawks and Special Investigative Unit established that that corrupt businesspeople allegedly paid large sums of money into the accounts of departmental officials to have their licence fees and penalties dumped or cancelled for the businesspeople to receive vehicle licence disc as if they owed nothing to the state.

In the case of Mr Shabalala, it is alleged that the file for the renewal of his fleet was unlawfully moved from the Standerton registering authority to Nelspruit helpdesk with the intention to commit crime. Preliminary investigations showed that the state lost R343 332 in vehicle licence fees and penalties that were not paid. A lump sum of money was made into the account of one of the suspected officials on the day that the illicit transaction was concluded.

In the case of another accused businessperson, Mr Demieties Pieter Botes (46), who owns a fleet of truck tractors and tippers trading under the name DP Botes Verwoer Beperk, it is alleged that the file for the renewal of his fleet was unlawfully moved from the Delmas registering authority to Nelspruit provincial helpdesk with the intention to allegedly perpetrate crime. Preliminary investigation indicated the state lost R1 005 923.40 in unpaid vehicles fees and penalties as a result. A large sum of

money was allegedly paid into the bank account of one of the suspected officials on the day the illicit transaction was concluded.

The third businessperson, Mr Magidi Doctor Mpapane (59), is accused of failing to pay R709 333.60 in vehicle licence fees. Mr Mpapane is the registered owner of Doc's Construction and Plant Hire. He owns a fleet of vehicles such as tankers and loader pump lifters. His business file was moved from KwaMhushwa registering authority to the helpdesk in Nelspruit to perpetrate the alleged crime. It is alleged that a large sum of money was paid into the bank account of one of the suspected officials on the day the illicit transaction was concluded.

Doc's Construction and Plant Hire has also been positively linked to another vehicle licence fraudulent transaction that took place at the Sedibeng brank of South African Post Office in 2021.

Investigations are continuing and the possibility of more arrests are expected.

The Road Traffic Management Corporation welcomes the arrest and calls on citizens to report suspected acts of fraud, corruption and malfeasance to **ntacu@rtmc.co.za** or by WhatsApp to **083 293 7989**.

ENDS

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