

Former Prasa Rail CEO back in the dock for fraud

By [Joseph Chirume](#) and [GroundUp Staff](#)

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Mthuthuzeli Swartz appeared on Wednesday at the Port Elizabeth Specialised Commercial Crime Court. The case was postponed to 5 April. Swartz is the former acting CEO of the Rail division of the Passenger Rail Agency of South Africa (Prasa).



Former Prasa acting CEO Mthuthuzeli Swartz appeared in the Port Elizabeth Specialised Commercial Crimes Court on Wednesday.
Photo: Joseph Chirume

Swartz is out on bail of R2,000 after he first appeared in court in January. The former Prasa executive is facing an array of charges including fraud, money laundering, and theft of over R1.5 million. He is also facing charges of theft of railway lines and sleepers in 2013 in the Eastern Cape.

Speaking to *GroundUp* outside court, Swartz made several accusations against commuter activist group #UniteBehind. He likened the organisation to “a jackal that is shouting against shepherds and saying shepherds are dangerous for the flock.”

He accused Prasa executives of irregularly hiring Werksmans Attorneys at a cost of more than R240 million. He said #UniteBehind “must answer why” they defended Werksmans Attorneys after they were appointed irregularly. Werksmans Attorneys did forensic investigations into corruption at Prasa. The reports of this investigation were leaked to #UniteBehind and some of them have been subsequently been [published by GroundUp](#) in what is known as #PRASALeaks.

#UniteBehind responded in a statement sent to *GroundUp*. The organisation said the amount spent hiring Werksmans Attorneys was expensive but worth it given the work they did exposing corruption. “If it wasn’t for the Werkmans Investigations we would not know the full extent of the corruption at Prasa.” The Werkmans reports were commissioned as a consequence of the findings in the report titled [Derailed](#) by the Public Protector.

Swartz also asked #UniteBehind to “explain why they have never stood up against Richard Walker, who is known to have brought the Metrorail service in the Western Cape to its knees”. Swartz stated that when Walker took over, Metrorail had a “90% on-time performance” that has declined to “less than 40%”. He continued: “At the same time the number of trains has been reduced to less than 30% of their original total number. Income generating in the Western Cape Metrorail department has come to an abysmal level never experienced in the history of the Western Cape.”

#UniteBehind responded that unlike Swartz, Walker had never been charged with stealing railway lines and sleepers.

GroundUp was unable to get hold of Walker before publication, but Metrorail in the Western Cape has seen a sustained campaign of arson. Earlier this month Walker said that over the past 18 months, Cape Town has lost numerous train carriages to arson, resulting in over “R500 million” in damages. The city recently had 37 train sets instead of the 84 it needs to run a fully functional service.

A source with inside knowledge of events at Prasa has told *GroundUp* that a former disgruntled staff member is suspected of being behind the arson attacks. We have not published the name of the suspect because of a lack of evidence at this point.

Swartz asked why #UniteBehind did not investigate the recommendations in the 2016-17 Auditor General’s report that found Prasa executives to have contravened their contracts by personally benefiting by doing work with Prasa. “Some were claiming money for the work they did not do. They have been robbing and siphoning money out of Prasa. Those people are still there. Why has #UniteBehind been quiet?” he asked.

UniteBehind responded that it was independent and it would investigate all those who were corrupt at Prasa. “An estimated R24 billion has been stolen and it will take Prasa a long time to recover from this. Next week we will be at the Gauteng High Court in Pretoria alongside Prasa to get back R4.5 billion from a corrupt tender. We are preparing detailed submissions for the Zondo Commission,” the organisation said.

Swartz insisted in court that: “The Public Protector or the Auditor General never made a public finding against me. I served Richard Walker with 35 charges for contravening his work agreement. He was subsequently suspended by Prasa and without a finding he was recalled again. Nobody is saying anything about that. My sin was to implement the 2016-17 AG report.”

He said neither the AG nor the Public Protector had found him guilty of doing wrong and neither Prasa nor the City of Cape Town had charged him with corruption.

Swartz was dismissed from Prasa on 8 November. In a [ruling sent to *GroundUp*](#), Theo Mokhatla who chaired Swartz’s disciplinary enquiry, concluded: “[Swartz] blatantly undermined the authority of the Board and Prasa management.... He abused the recruitment and disciplinary processes of the employer to victimise, harass and make employment for those who did not agree with him intolerable.”

“He is simply dishonest and a law unto himself. No employer can be expected to keep such an employee in its employ,” Mokhatla said.

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