

20 MARCH 2014

PHASE 1

CHAIRPERSON: Good morning. Can the witness confirm that he is still under oath?

MR NORTJÉ: I do.

CHAIRPERSON: Thank you.

5 ADV LEBALA: Esteemed Commissioners, I'm assuming correctly that your permission yesterday to allow us, particularly me to no without the jacket still stands or am I pre-empting you Chair?

CHAIRPERSON: You can continue Advocate Lebala.

10 ADV LEBALA: Thank you Esteemed Commissioners. Mr Nortjé, yesterday when we adjourned we had traversed some of the most poignant and controversial issues pertaining to the Combat Suite, you remember?

MR NORTJÉ: Yes Chair, I do remember.

15 ADV LEBALA: By yesterday we traversed the Combat Suite controversies surrounding The Integrated Management System, you confirm?

MR NORTJÉ: Yes Chair, I confirm.

20 ADV LEBALA: We also looked at how the risk factor played a significant role in as far as the System Management Subsystem is concerned.

MR NORTJÉ: That is correct Chair.

ADV LEBALA: And we also demonstrated through your testimony how in as far as the database is concerned DETEXIS
25 Diserta Data BUS was preferred in the face of C2I2 Integrated

20 MARCH 2014

PHASE 1

Management System Database?

MR NORTJÉ: That is correct Chair.

ADV LEBALA: Today we are going to look at two bundles and I would like you to have them before you and just to assist
5 the Commissioners not to go all over because we are confident that we might be done in an hour with your testimony and those bundles will be bundle 6 dealing with Section 28 hearings and bundle 5 dealing with the Naval Board meetings, that we'll be comparing with bundle 5 dealing with the PCB meetings.
10 Esteemed Commissioners, we will be looking at bundle 6 briefly, bundle 5 briefly and we'll be comparing bundle 4 and bundle 5. Now let's start with the bundle 6 Section 28 hearings. How come that you should have been involved at these Section 28 hearings?

15 MR NORTJÉ: Chair, at the time I was in Germany and supervising the construction of the ships already. I was informed that there were such investigations and that I should present myself to be interviewed.

ADV LEBALA: As at the day when you were testifying now
20 today, not then, I'm talking about today's date, have you appreciated what those hearings were all about?

MR NORTJÉ: To my mind they were investigating the circumstances surrounding the contract placement, I was not aware that there was many anything deeper if that is what you
25 might be implying.

20 MARCH 2014

PHASE 1

ADV LEBALA: Now you mentioned that they were investigating the contract placement, what did that contract placement refer to?

5 MR NORTJÉ: Well Chair, in essence if one look at the transcript and if my memory, 13 years still serves me, they traversed the entire process in a similar way that the evidence leader has traversed the process before this Commission in general and essentially that is what happened.

10 ADV LEBALA: Do I understand you to be saying, and I'm saying this cautiously, that the issues that were traversed at the Section 28 hearings you traversed them in your testimony before the Commission?

MR NORTJÉ: That is correct Chair.

15 ADV LEBALA: To be specific just to refresh you and if need, be don't want to waste the Commission's time, by going into this bundle if there's no need for us to do so, let me ask you the following questions and I assure you that this team together with you are the last persons to mislead the Commission. Without wasting the Commission's time is it true
20 that at the Section 28 hearing the question of the database was also traversed?

MR NORTJÉ: Yes indeed Chair, it was.

ADV LEBALA: The question of the System Management Subsystems was also dealt with.

25 MR NORTJÉ: Yes Chair, that is correct.

20 MARCH 2014

PHASE 1

ADV LEBALA: The question as to why the main contractor who we know eventually became a consortium of the German Frigate Consortium, Thompson CSF/ADS's role in as far as being an important player was also traversed?

5 MR NORTJÉ: I do seem to recall that we explained how the consortium came together, yes indeed Chair.

ADV LEBALA: The question as to why there was no need to go on open tender was also traversed?

10 MR NORTJÉ: Yes, very much Chair, referring to the technology programmes that we had *et cetera*, as it was brought before this Commission.

ADV LEBALA: The question of the fairness of the process was also traversed?

15 MR NORTJÉ: Probably yes Chair, I cannot specifically recall, but I say it's 13 years ago.

20 ADV LEBALA: If need be, just to assist the Commission and we need to take the Commission into our confidence, I do not, because this issue, if anyone had to deal with it, it would be those who would like to cross-examine you and we don't intend wasting the Commission's time. If you doubt please say "I doubt", but I'm happy that when you mention these important points you are refreshed, am I right?

MR NORTJÉ: Thank you Chair yes, that's understood.

25 ADV LEBALA: The question of price was also traversed at the Section 28 hearings?

20 MARCH 2014

PHASE 1

MR NORTJÉ: Yes, indeed Chair. Risk and price and the interplay between risk and price was traversed in a very similar manner that it was traversed before this Commission.

5 ADV LEBALA: The question of responsibility in as far as all the parties that ought to have assumed responsibilities concerned, was it traversed?

MR NORTJÉ: Yes Chair, it was.

10 ADV LEBALA: Was the question of the Integrated Platform Management Simulator traversed? Now let's be careful, the Commission hasn't heard about this because there is a qualified witness who could come and talk to it and that witness, let the record reflect, is Admiral Kamerman, am I right?

MR NORTJÉ: That is correct Chair, I confirm that.

15 ADV LEBALA: But was that aspect traversed?

MR NORTJÉ: I cannot positively remember Chair, but I think it is probable that it was.

20 ADV LEBALA: The question whether the process dealing with the Combat Suite, we know, we've demonstrated that it involved foreign element and local element, more particular the issue whether it was foreign dominated, was it traversed?

MR NORTJÉ: Yes Chair, it was traversed.

25 ADV LEBALA: Is there anything that you want to add to what we've highlighted as the main themes of what was traversed at the Section 28 hearings?

20 MARCH 2014

PHASE 1

MR NORTJÉ: Chair, I cannot think that there was anything more in particular, these were the highlights of the investigation or the questions put to me. I might add that I recall that there were also questions asked about involvement and actions of other people which of course I could not really answer.

ADV LEBALA: Yes, I would urge to be very cautious about that otherwise the Commissioners will lambaste us. Remember it would be very fair for us to treat the Commission with respect, the Commission would never allow us to ask unfair questions, you've seen that, am I right?

MR NORTJÉ: I've seen that Chair, yes.

ADV LEBALA: We are not going to go there, but let's be specific, are there processes that were dealt with at the Section 28 hearings that you feel there are better witnesses if the Commission were to be better informed who could deal with them?

MR NORTJÉ: Yes Chair, casting my memory back there were certainly such cases, there were, and if you want to have some names the name of Mr Shaikh came up in a number of cases, of course I could not answer for him, that would be a possibility, the Project Officer Captain Kamerman, now admiral, well, retired admiral. I do not know what others names were mentioned, of course I think the people involved in the PCB activities, PCB members was mentioned and that is about all

20 MARCH 2014

PHASE 1

that I could remember Chair.

ADV LEBALA: Let's be specific, the name of Mr Llew Swan in as far as the processes were concerned, do you remember it being mentioned at the Section 28 hearings?

5 MR NORTJÉ: Chair, Mr Llew Swan was the CEO of ARMSCOR at the time and his position was certainly mentioned and explained, as well as the fact that he was a member of the PCB as well as the IONT, that was definitely mentioned.

ADV LEBALA: Do you remember the name of, is it Lewis
10 Mathieson, being mentioned in as far as the processes are concerned at the Section 28 hearing?

MR NORTJÉ: Yes Chair, his name was in all probability mentioned because he was involved in some of the investigation, the technical side of the investigation that was
15 done into the DETEXIS Data BUS and he was also the ARMSCOR manager on, reporting to me regarding the Combat Suite in general.

ADV LEBALA: Now when you testified at the Section 28 hearings did you rely on documents?

20 MR NORTJÉ: Chair no, I had no preparation for that and during the meeting, during the examination I did not have access to the whole lot of documents that we have presented here to this Commission for instance, there were a few documents which I think I've appended to the transcript that
25 were handed to me during the questioning and I was asked to

20 MARCH 2014

PHASE 1

comment on that but I did not have access to any other documents during the process.

ADV LEBALA: When you respond to the following question please remember that you are not constrained, you have space and latitude but if we were to ask you in terms of comparison in as far as information and documentation is concerned before this Commission and at the Section 28 hearings, would you say you were better prepared in terms of reliance on documentation?

5
10 MR NORTJÉ: Chair, I was far better prepared and had better access to documents and shared that with both my legal team and the evidence leaders during this process.

ADV LEBALA: So you are confident to say if any reliance has to be placed it would have to be on your testimony in as far as this, the hearings at the Commission is concerned instead of at the Section 28 inquiry hearings?

MR NORTJÉ: Yes Chair, I wouldn't like to sound as though I want to distance me from what I did previously but during that meeting I had to rely very largely on memory only.

20 ADV LEBALA: Am I correct to say that at the Section 28 hearings there were many questions that you had no knowledge of?

MR NORTJÉ: That is correct Chair.

ADV LEBALA: Now I've seen at this hearing, and this team can say it with its head held high that you had so many

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20 MARCH 2014

PHASE 1

questions that you could answer.

MR NORTJÉ: I beg your pardon Chair, may I ask for a bit of simplification of the question?

5 ADV LEBALA: I like that because, please, and the Chair reminded you that if you do not understand the question please ask us to repeat it. At this hearing in this Commission you had so many questions to answer, do you remember, and you actually answered them all.

10 MR NORTJÉ: Chair, I was certainly trying to answer them all and I was trying to assist the investigators just as I'm trying to assist this Commission and yes, there were many questions and I think that's reflected in the length of the transcript as well.

15 ADV LEBALA: In actual fact in this Commission with the fairness instincts of the Commissioners we were reminded not to even give this Commission more information by not going into certain areas, do you remember?

MR NORTJÉ: Yes, indeed Chair.

20 ADV LEBALA: It was not with a view of course to say you shouldn't give information, we could not repeat information which the Commission has before it, am I right?

MR NORTJÉ: Absolutely true Chair, yes.

25 ADV LEBALA: Equally the Commission reminded us that we cannot go on issues which are not relevant to the themes of your testimony isn't it?

20 MARCH 2014

PHASE 1

MR NORTJÉ: That is correct Chair.

ADV LEBALA: Now in as far as Section 28 hearings are concerned I would like to take your memory back to tell the Commission whether can you talk about letters, if you can't
5 please feel free, remember the space and constraint and I allow you to be flexible with a view to assist the Commission and I'm certain that the Commissioners would call me to order if I ask you an unfair question and I'm certain that Mr Solomon would also remind me that it's not a fair question, but there's a
10 letter written by Mr Llew Swan, the former CEO of ARMSCOR, an important player, relating to the nomination of the Integrated Platform Management Simulator where there was a nomination of a party as a simulator supplier, do you remember that?

15 MR NORTJÉ: I am aware of that letter yes Chair.

ADV LEBALA: Can you talk about it or you believe that there are witnesses better qualified to talk about it?

MR NORTJÉ: Chair, I think the Project Officer Admiral Kamerman, which I believe he is due to appear for the, before
20 this, is better qualified to talk to it, as well as Mr Llew Swan of course if you had any dealings with him.

ADV LEBALA: Just briefly to assist in laying the foundation, just briefly, what was the letter about, just briefly, not even more than five minutes if you can.

25 MR NORTJÉ: Chair, it was a letter sent out by Mr Llew

20 MARCH 2014

PHASE 1

Swan to the main contractor stating that the following sub-suppliers had been selected by the client and it listed a whole lot of them, both on the platform side as well as on the Combat Suite side.

5 ADV LEBALA: Amongst those suppliers the name of C2I2 was mentioned, am I right?

MR NORTJÉ: That is correct Chair.

ADV LEBALA: By the way the Integrated Platform Management Simulator, was it part of the Combat Suite
10 Subsystems?

MR NORTJÉ: No Chair, it was not part of the Combat Suit Subsystem, it was part of the platform.

ADV LEBALA: Thank you. I would like us to go to Volume 4, the Naval Board meetings. I beg your pardon, may the record
15 reflect that erred, Volume 5. We have seen that in as far as the Project Control Board is concerned you attended some of the meetings, am I right?

MR NORTJÉ: I do believe I attended the majority of them, if not all Chair.

20 ADV LEBALA: And you attended them in your capacity as the Programme Manager and a member of the Joint Project Team?

MR NORTJÉ: That is correct Chair.

ADV LEBALA: Were you attending the meetings of the
25 PCB as per invitation or per instruction? I know that you may

20 MARCH 2014

PHASE 1

not be able to distinguish between but let's hear what you would say, if it's difficult say it is, if you can't answer say: "I can't answer". Were you attending the PCB meeting as per instructions or as per invitation?

5 MR NORTJÉ: Chair, I would say by instruction, it was the reporting platform the Project Team to report to the higher level, so we were expected to be there.

ADV LEBALA: Let's look at Volume 5 that deals with the Minutes of the Meetings of the Naval Board.

10 MR NORTJÉ: Yes Chair?

ADV LEBALA: By way of refreshing us we know that the PCB's most important responsibility was acquisition and it was an organ of the Department of Defence.

MR NORTJÉ: That is correct Chair.

15 ADV LEBALA: Once again just refresh us, the Naval Board, in two sentences in distinguishing it from the PCB, what was the Naval board's role?

MR NORTJÉ: Chair, the Naval Board's role was the management of the Navy, it consisted of the Chief of the Navy and his senior officers and they were responsible for managing the Navy.

ADV LEBALA: Were you allowed to be part of the meetings of the Naval Board?

20 MR NORTJÉ: Generally speaking no Chair, I was not a
25 member or even allowed to do so. On few occasions, two or

20 MARCH 2014

PHASE 1

three occasions I was invited by the Project Officer and with special permission from the Chief of the Navy I was allowed to attend as an observer.

ADV LEBALA: If there are any people who could talk to the minutes of the meetings and controversies, if any, that are raised by the minutes of the Naval Board enveloped in bundle 5, who are those persons off the cuff?

MR NORTJÉ: Chair, I would say that the best person to do so would be the project officer because he reported the project matters to the Naval Board.

ADV LEBALA: For the sake of completeness give the name of the Project Officer.

MR NORTJÉ: The name of the officer is Admiral Jonathan Kamerman.

ADV LEBALA: And who else, if any?

MR NORTJÉ: I'm not sure that I would identify anyone else who would be able to give a more coherent picture, maybe little bits of pieces but I think when you look at the total picture Kamerman would be the most suitable to do that.

ADV LEBALA: What about Admiral Howell?

MR NORTJÉ: Admiral Howell was involved in the acquisition side as Director of Naval Inquisition for a short period during the lifetime of our project and then he was transferred to a new position in the, to a different position in the Navy and as such he was a member of the Naval Board.

20 MARCH 2014

PHASE 1

How deep his further knowledge goes I will not be able to pass judgement on that.

ADV LEBALA: Would it perhaps be correct if we were to say Admiral Howell and Admiral Kamerman are better qualified to come and educate the Commission in as far as the activities arising from the minutes of the Naval Board contained in bundle 5 are concerned?

MR NORTJÉ: Yes, perhaps Chair because Admiral Howell at the beginning lived closer to the project than the rest of the Naval Board. I would like to, I beg your pardon Chair, in response to your question with your permission, I do not know who the members of the Naval Board were. Does the name of Admiral Van der Schyf appear there?

ADV LEBALA: Just to assist yourself and the Commission let's look at, at least some of the minutes of the Naval Board hearing, you were just about to complete your testimony. Please look at bundle 5 page 1. Let's see whether the Commissioners are with us. Esteemed Commissioners bundle 5 page 1. The document is headed "The Minutes of Naval Board Meeting 3/99 Held in Lower Conference Room at Naval Base Simonstown 260800BM MAR 99". For the sake of clarity what's the date of this minutes in military codes?

MR NORTJÉ: Chair, the date is 26 March 1999.

ADV LEBALA: Now if you look at the names of those who are present does it refresh you as to who are the members of

20 MARCH 2014

PHASE 1

the Naval Board? And I'm alive to the fact that during March 1999 we know that the Strategic Defence Procurement Packages, programmes were in place, am I right?

MR NORTJÉ: Yes Chair, that is correct.

5 ADV LEBALA: Now are you refreshed about some of the names?

MR NORTJÉ: Yes Chair, I am.

ADV LEBALA: But what is significant is that you are not present.

10 MR NORTJÉ: I was not present, that is correct Chair, as I have explained previously.

ADV LEBALA: What is significant is Admiral Howell's name, if you look at 5, is noted.

15 MR NORTJÉ: Yes, I notice the name there Chair, in his capacity as Director Naval Acquisition.

ADV LEBALA: I also note the name of one of the esteemed witnesses who testified before this Commission, Admiral Green, can you see 4?

20 MR NORTJÉ: Yes Chair, but I think it was a different Admiral Green, I think that is his brother Admiral Eddie Green.

ADV LEBALA: Oh, I see, his name is Allan Green, yes, Admiral Allan Green. Then we see at the top is Admiral Simpson Anderson who was the chairperson.

25 MR NORTJÉ: In his capacity as Chief of the Navy, yes Chair.

20 MARCH 2014

PHASE 1

ADV LEBALA: But just to complete the picture we looked at almost all the minutes of the Project Control Board, we tried to take you to those that you could testify to, you remember?

MR NORTJÉ: Yes, I do Chair.

5 ADV LEBALA: We want to show that it might not assist the Commission for us to even take you through these minutes because some of the issues which were raised at the Naval Board meetings were the issues which were traversed at the PCB's meetings, do you agree?

10 MR NORTJÉ: Chair, I don't have that particular knowledge of it but if I look at it, and I could say I'm not surprised, it should have been the same matters because the Navy was interested in these matters.

ADV LEBALA: Okay let's quickly run through this
15 exercise, we are going to be very quick, just to close this part. You see, this bundle that's before us and we wouldn't like to be advised by anyone, critics inclusive to say we didn't do justice, we had sufficient documentation that was drawn to our attention and we didn't deal with it. Look at page 3 of the
20 Naval Board Meeting of the self-same period of 28 ..., 26 March 1999. Page 3.

MR NORTJÉ: Yes Chair.

ADV LEBALA: Your attention is drawn to paragraph 3.5, it addresses Project Sitron, can you see?

25 MR NORTJÉ: Yes chair.

20 MARCH 2014

PHASE 1

ADV LEBALA: And the first line talks about escalation in the cost of the Combat Suite.

MR NORTJÉ: Yes, indeed Chair.

ADV LEBALA: We traversed that in the PCB meeting, am I right, minutes?

MR NORTJÉ: Certainly, yes Chair.

ADV LEBALA: If you look at b below, 35b?

MR NORTJÉ: Yes Chair?

ADV LEBALA: Read it for the record.

10 MR NORTJÉ: Chair, 5b says:

“Reduce the initial surface-to-surface missile stock from 32 to 16”.

ADV LEBALA: You traversed that whilst we were dealing with the PCB minutes, you remember? You remember?

15 MR NORTJÉ: Yes, I do remember Chair. It was also addressed in my statement of 30 September.

ADV LEBALA: I think we can even just look at 3, let's go to the middle to show, to demonstrate to the Commission that it's more or less I mean one and the same similar subject, we don't even have to traverse this. Look at page 20.

MR NORTJÉ: Of which bundle Chair?

ADV LEBALA: Same bundle.

MR NORTJÉ: Same. I'm ready Chair.

ADV LEBALA: The minute of the document is headed
25 “Confirmatory Notes of Special Reduced Naval Board Meeting

20 MARCH 2014

PHASE 1

number 2/4/99 to Discuss Project Wills and Sitron Held in the Boardroom at SA Naval Office 301400B APR 99". In terms of military code am I right to say that's the 30th April 1999?

MR NORTJÉ: That is correct Chair.

5 ADV LEBALA: Let's look at those who were present, at the top is Admiral Simpson Anderson and third is Admiral Howell.

MR NORTJÉ: Yes Chair, now in a different capacity.

ADV LEBALA: Please go to page 22, paragraph 8.
10 Actually that paragraph is headed Item 3 Project Sitron, can you see?

MR NORTJÉ: Yes Chair.

ADV LEBALA: The issues that were discussed in as far as Project Sitron is concerned, look at paragraph a, "Ship
15 Platform Portion", you remember that figure we referred to it when we were dealing with the PCB minute?

MR NORTJÉ: Yes Chair, it is exactly the same information that was contained in the report to the PCB.

ADV LEBALA: You can look at b, you can look at c, same
20 thing, can you see?

MR NORTJÉ: Yes, indeed Chair, and the same goes for paragraph 9.

ADV LEBALA: Okay, I just want to look at two minutes
and then I want to close and we'll be done with your testimony,
25 just two minutes. I could take you through page by page

20 MARCH 2014

PHASE 1

because we combed them and it was very laborious but let's go to the back actually just to assist. Please go to page 93

MR NORTJÉ: I'm ready Chair.

5 ADV LEBALA: "Minutes of the Naval Board in Project Mode (NBPM) #05/00". I beg your pardon, I don't know what that sign says, but that's not relevant for your testimony, "Held in the Boardroom on 220700B SEP 00". Well, in terms of the military code it means 22 September 2000, am I right?

MR NORTJÉ: That is correct Chair.

10 ADV LEBALA: Ironically or significantly the meeting is chaired by Admiral Howell.

MR NORTJÉ: I so notice Chair.

ADV LEBALA: Look at page 96. In actual fact let's recapitulate, page 95 paragraph 8 there's a paragraph, the 15 paragraph is headed "Project Sitron".

MR NORTJÉ: That's right Chair.

ADV LEBALA: Page 96 paragraph e, "Risk Identification Plan".

MR NORTJÉ: Yes Chair.

20 ADV LEBALA: The PCB meetings also addressed the risk.

MR NORTJÉ: Yes Chair, that is correct.

ADV LEBALA: Let's look at the last minute at the end, the last minute at the end, actually let's look at the last minute, the minute on page 204 to 208 bundle 5. Let's start at 25 page 204, the "Minute of the Navy Board Meeting Held in the

20 MARCH 2014

PHASE 1

Navy Office Boardroom Pretoria". It's noticeable that the absence of Admiral Howell is not here, can you see? And you must understand that Admiral Howell is coming to testify before the Commission and it gives anyone, the critics who would be
5 listening to this or analysing this part of the testimony to prepare themselves if they want to address the Commissions on this minute that they requested us to make part of the bundle, your bundle. Admiral Howell is not present at this meeting?

MR NORTJÉ: I so notice Chair.

10 ADV LEBALA: Neither has he tendered apology, can you see?

MR NORTJÉ: Yes Chair. And there might be a reason for it.

15 ADV LEBALA: Fair enough, that's not the most important issue, do not agonise. Look at page 206 paragraph 19, "Identified Risks for Project Wills and Sitron", can you see?

MR NORTJÉ: Yes Chair.

ADV LEBALA: Same issues that were discussed at the PCB meeting.

20 MR NORTJÉ: Yes Chair.

ADV LEBALA: The last page 208, paragraph a, 36a Project Sitron.

MR NORTJÉ: Yes Chair?

25 ADV LEBALA: The "Platforms" (i), the "Combat Suite" (ii), the "Risks" (iv).

20 MARCH 2014

PHASE 1

MR NORTJÉ: Yes Chair.

ADV LEBALA: Now I think we've demonstrated that there is no need for us to take you through these minutes, do you agree?

5 MR NORTJÉ: I think I do agree Chair.

ADV LEBALA: Is there anything that you would like to say to this Commission before you excommunicate yourself from that platform? It's not the Ship Platform, that platform.

10 MR NORTJÉ: Chair yes, I only wish to express my appreciation to the evidence leaders and to my own legal team and everyone who assisted in the preparation of this and I do trust that my testimony was and will be of use to the Commission.

15 ADV LEBALA: Commissioners, that's the testimony of Mr Frits Nortjé, I do not know, I'm in your hands whether there is anything you would like to hear from us but we await your direction Esteemed Commissioners.

20 CHAIRPERSON: Thank you Advocate Lebala. Is there anybody who wants to cross-examine Mr Nortjé? Nobody is prepared to cross-examine him. Let me find out from your legal team if there are issues that they want to raise with you. Advocate Solomon.

25 ADV SOLOMON: Morning Chair, Commissioner Musi, there are a few aspects we would like to just traverse with this witness which are contained in the bundles which we feel might

20 MARCH 2014

PHASE 1

require some emphasis. For the benefit of the Commission we hope not to be terribly long in that process. May we continue?

CHAIRPERSON: You can continue Advocate Solomon.

ADV SOLOMON: Thank you Chair, Commissioner Musi.

5 **RE-EXAMINATION:**

ADV SOLOMON: I just wanted to deal with the question of the gearbox selection of Renk over Maag, we know that there were certain issues that arose and there was also during your evidence in chief some issues as to what you had knowledge of and what you didn't have knowledge of. Commissioners, if we could go to bundle 2 at page 88, I think my handwriting is not very clear, does the Chair and Commissioner Musi have the ...

You recall Mr Nortjé you were shown this document in your evidence in chief, I just wanted to place the selection of the gearbox in some chronological order. We will see that this document which is signed under the hand of Johan Van Dyk, and you've testified about that, is dated the 29th of July 1999, is that correct?

MR NORTJÉ: That is correct Chair.

20 ADV SOLOMON: And you see from this the third paragraph, I don't want to read all of it, I think some of it has already been led, but it's really just the last sentence of that third paragraph that commences with the word "However, ...". If you could just read the last sentence and indicate what was being
25 conveyed in that sentence?

20 MARCH 2014

PHASE 1

MR NORTJÉ: I beg your pardon Chair, does the counsel mean the entire paragraph or just the sentence?

ADV SOLOMON: Just the last sentence starting with: "Our Project Team Manager ...", which is a reference to you.

5 MR NORTJÉ: Thank you Chair, I thought the reference was to the sentence starting with "However, ...". I read:

"Our Project ...".

One should actually start:

10 *"On enquiry with Mr N Hopp he stated that the decision to use Maag instead of Renk was based on technical considerations".*

Okay.

15 *"Our Project Team Manager Mr F Nortjé stated that the gearbox was never considered on a technical comparative basis by them or the user or the Navy".*

ADV SOLOMON: Right, and that then gives colour to what you had written in manuscript on the right hand side of the page which says that:

20 *"The Project Team will do a technical comparison of the two gearboxes (quick, and to limited depth). But we will stick to previous instructions to keep our noses out of DIP or NIP issues".*

Is that correct?

MR NORTJÉ: As testified yesterday, yes Chair.

25 ADV SOLOMON: Then Chair, Commissioner Musi, the next

20 MARCH 2014

PHASE 1

chronological document is at page 95 which are the minutes of the meeting, same volume, Volume 2 of the PCB Meeting of 24th August 1999. Do you have it Chair, Commissioner Musi? Now you will see at page 97 of those minutes paragraph 12
5 something you have spoken about, there was reference to the gearboxes and I just wanted you to focus, in the interest of conserving time the sentence reading, commencing with: "C Acq stated ...", if you could read that and the remaining sentence, two sentences of that paragraph into the record.

10 MR NORTJÉ: Yes Chair, I assume it refers to paragraph 12, the sentence starting with "C Acq ...", it says:

"Chief of Acquisitions stated that the key issue was compliance with the technical baseline and if both gearboxes meet this baseline preference will be determined by DIP related issues. He instructed the Project Team to take a lead in determining this requirement".

15

ADV SOLOMON: Could you just explain to the Commission, I know that both the Chair and Commissioner Musi have heard a
20 lot about technical baselines but just in the context in which those words are used what was being conveyed there.

MR NORTJÉ: What was being conveyed there Chair, as we understood it, was that the technical, the selection on technical basis by the main contractor of his subcontractor
25 would not be overridden by DIP if there were from a technical

20 MARCH 2014

PHASE 1

point of view a good reason to stay with the baseline and the gearbox as selected, in other words it says that the technical considerations will play a major role in the decision.

ADV SOLOMON: Thank you Mr Nortjé. If we just go back to
5 the beginning of that minute at page 95, just focusing on the
appendices, we note that Appendices "A" to "D", do you have it
Commissioner? You will see that the first four up to "D" relate
to Project Sitron and then "E" to "J" is Project Wills, the
submarine which doesn't concern you. If we could just look at
10 page 109 which is Appendix "D", do you have it Mr Nortjé?

MR NORTJÉ: Yes Chair, I have it.

ADV SOLOMON: And just indicate to, I don't want you to go
to it in any detail, what Annexure "D" was a reference to.
Sorry, Appendix "D".

15 MR NORTJÉ: Chair, the negotiations had been all but
completed. We were now into the final stages actually waiting,
if I could recall correctly for approval at the higher levels, and
Mr Swan, Llew Swan, the Chief Executive of ARMSCOR wanted
to have some assurance and some indication of to the risk
20 position that the proposed contract was taking in the form of
the Category C Combat Suite elements as I have explained it
before this Commission, so he called a special meeting with his
specific aim to look briefly at a high level at the risk positions
of each and every one of the Part C Combat Suite elements.

25 ADV SOLOMON: Thank you Mr Nortjé. We will have to

20 MARCH 2014

PHASE 1

unfortunately return to this minute again Commissioners in a different context, but just to go one page back which forms part of Annexure "C", again I apologise, not annexure, Appendix "C", that's page 108, that was part of the Project Sitron Status Report. You have been taken to that by learned friend and that page deals with, I don't want you to deal with it, you've dealt with it but simply to indicate that that dealt with the gearbox issue.

MR NORTJÉ: That is correct Chair.

10 ADV SOLOMON: Then the next document Chair and Commissioner Musi chronologically, unfortunately we have to go to another volume, it's Volume 4 at page 145c. Do you have it Chair, Commissioner Musi? Thank you. This was a document you will recall you were taken to by my learned friend, it's dated the 6th of September 1999, so it follows upon the PCB meeting of 24th August 1999 that we just looked at and it's signed by Mr ... Well, it's actually not signed, it seems to be unsigned, the point you did make, but it contains the name at page 145E, or the names rather of Mr Van Dyk and Mr Hanafey, is that correct?

MR NORTJÉ: That is correct Chair, and the handwritten reference to Admiral Van der Schyf as well.

ADV SOLOMON: Now if we just go to 145C we'll, we see that the handwritten word "Approved" on the right hand side and the date 6/10/99, do you know whose initials those are and

20 MARCH 2014

PHASE 1

whose handwriting it is?

MR NORTJÉ: Chair, I do not know.

ADV SOLOMON: But it will be demonstrated Chair and
Commissioner Musi that that reference to the 6th of
5 October 1999 was a reference to a PCB of that date. Is that
correct Mr Nortjé?

MR NORTJÉ: I would need to look at the particular
minute of the PCB to confirm that Chair.

ADV SOLOMON: Well, we can go there, it's at page 132.
10 Do you have it Chair, Commissioner Musi, the same volume,
Volume 4, page 132. I see the Chair and Commissioner Musi
are nodding. You will see from the document Mr Nortjé it's a
PCB, Minutes of a PCB meeting, the 6th of October 1999, you
were present, Mr, Captain Watson was acting in the stead of
15 Captain, then Retired Admiral Kamerman as the Project Officer
for Project Sitron, is that correct?

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: If we look at the appendices we will see
that "A" is the approved constitution of the PCB, do you see it
20 Chair, Commissioner Musi, and "B" is Project Sitron Progress
Report, "C" is the Gearbox Recommendation for the Corvette
and we will see at page 145C that that is the very report from,
well, although unsigned but that contains the names of Mr Van
Dyk and Mr Hanafey.

25 MR NORTJÉ: Yes Chair, it appears to be the same

20 MARCH 2014

PHASE 1

document.

ADV SOLOMON: Yes. And we will also see, I wanted to keep this chronologically but it just seems perhaps simpler to first go to the approval of the report of the DIP individuals Mr
5 Van Dyk and Hanafey, so let's just look at the minutes whilst we're there and then I'll have to unfortunately take you to a document in Volume 2 which predates this meeting which you signed, but let's just for the purposes of completion at page 133 at the foot of the page you've got reference to, that's
10 paragraph 7, reference to the gearboxes. I think you were taken to this by my learned friend, I can't quite recall now, but perhaps you could just read, just read that paragraph out just in case it was not done because I just can't quite recall.

MR NORTJÉ: Chair, paragraph 7 reads: "SITRON –
15 Gearboxes":

*"Since both the MAAG and RENK Gearboxes complied technically with the requirements the Project Officer recommended that the decision as to which gearbox to acquire should be based on the
20 DIP Evaluation".*

ADV SOLOMON: Just to pause there a moment, sorry Mr Nortjé, the reference to Project Officer is obviously yourself? Sorry, not yourself, to Mr Kamerman or Mr Watson?

MR NORTJÉ: It would have been the Acting Project
25 Officer Captain Watson at the time, as indicated in the list of

20 MARCH 2014

PHASE 1

people present.

ADV SOLOMON: Yes sorry, continue.

MR NORTJÉ: *“DIP manager presented the DIP evaluation and pointed out that from a DIP point of view it is clear that the RENK option should be selected. (Refer to Appendix C). The RENK option provided work to Gear-Ratio which is considered a strategic industry for the SA Army. This matter was discussed at the ARMSCOR Board. The PCB ratified the selection of the RENK Gearboxes for Project SITRON. Project Manager Project SITRON must notify the GFC that the RENK Gearboxes were selected for Project SITRON”.*

ADV SOLOMON: Now it's quite important Mr Nortjé for you to just go to the report that you did which is at Volume 2 page 89. It relates to a pertinent point, and with no disrespect, a correct point that was raised by Commissioner Musi in relation to the takeover of Gear-Ratio by Vickers, so it's Volume 2 Commissioners, page 89. I see the Chair has it, I'm waiting for Commissioner Musi to, because he took some particular interest in this point. Volume 2 page 89 Commissioner Musi. Do you have it Mr Nortjé?

MR NORTJÉ: Chair.

ADV SOLOMON: Now if we look at this document it's dated the 23rd of September 1999, as I indicated to you Mr Nortjé this

20 MARCH 2014

PHASE 1

in fact chronologically comes before the 6th of October PCB meeting, if we go to page 90 we see it is something that was, it was a document that was signed both by yourself in your capacity as programme manager and by Captain Watson in his capacity as the acting Project Officer, is that correct?

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: Now I don't want to waste time by going through all elements of this document but we do see under "Background" paragraph 3:

10 *"A PCB was held to confirm the selection of the main equipment and the GFC was then advised by the ARMSCOR CEO by letter of the 29th July 1999 that the MAAG Gearbox had been selected".*

I think that's a reference to the letter from Llew Swan that you spoke of just before you completed your testimony, albeit in relation to the simulator.

MR NORTJÉ: Chair sorry, I lost the reference to that particular quotation, may I with your indulgence Chair ask the Counsel if he can just point me to the ...

20 ADV SOLOMON: Certainly. It's on page 89 under "Background" paragraph 3.

MR NORTJÉ: Yes, I have it Chair. And I noticed the letter that you are referring to, the letter by the ARMSCOR CEO, letter dated 20 June 1999, the date does ring a bell, I think it's the same letter that was referred to earlier by the

20 MARCH 2014

PHASE 1

Evidence Leader yes.

ADV SOLOMON: Thank you Mr Nortjé. I just want to check something before I ... No that's fine. Then if we can just continue, 4 says:

5 *"The Main Contractor was then requested to*
consider a place in the MAAG Gearbox with one
from RENK due to the increased DIP potential. The
project had never done a technical evaluation in
order to make a selection between the two originally
10 *offered gearboxes and was happy with either. The*
GFC made a technical evaluation and selected the
MAAG option with which we were happy and
concurred".

Is that all correct?

15 MR NORTJÉ: That is correct Chair.

ADV SOLOMON: Then you say in paragraph 6:

"A presentation was given by GFC on the technical
and DIP considerations of the RENK and MAAG
Gearboxes on 3rd September 1999".

20 We hadn't found any reference to that presentation but I
assume that that is what happened on the 3rd of September.

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: Then you go on to say:

25 *"The value system for the evaluation of the*
technical aspects of the gearboxes was lodged with

20 MARCH 2014

PHASE 1

DNA and the Senior ...”.

Just remind the Commission what is DNA?

MR NORTJÉ: DNA stands for Director Naval Acquisition in the Acquisition Department of the DoD.

5 ADV SOLOMON: And then:

“... and the Senior Manager Maritime Division before the presentation”.

We see at the top of the page 89 both of those offices received a copy of this memorandum, it also went, it went to the Director
10 Naval Acquisition and to the Senior Manager Maritime, is that correct?

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: Then the Technical Evaluation, we have heard evidence concerning this in your evidence in chief where
15 you indicated that MAAG was fractionally better than RENK, MAAG had 95.5% and RENK 93.1%.

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: You make the point in paragraph 8 that:

*“The evaluations are very close due to the fact that
20 RENK was asked to quote on a gearbox that complied with the already selected MAAG specification”.*

Just explain that.

MR NORTJÉ: Chair, gearboxes come in different shapes
25 and sizes and with different facilities. The gearbox that had

20 MARCH 2014

PHASE 1

been selected by the German Frigate Consortium to be used, namely the MAAG Gearbox had certain features which a standard gearbox from RENK apparently did not have and therefore it was our understanding that there might have had to
5 be some customisation on the gearbox of the RENK product.

ADV SOLOMON: Then very important paragraph 9 it was an issue that the Commissioners raised with you concerning if the selection of RENK would have had any impact on the price. If you could just read paragraphs 9 and 10 into the record.

10 MR NORTJÉ: Chair, paragraph 9:

“The cost impact of changing to the RENK Gearbox is not yet quantified by GFC (See Reference ‘A’) attached, but it appears that no cost escalation is expected”.

15 Paragraph 10:

“The impact of requesting a change that would have a cost impact cannot be considered by the project as there are no available funds to expand the contract price”.

20 ADV SOLOMON: Could you just elaborate on those two paragraphs?

MR NORTJÉ: Yes Chair, we were taking a position saying we don't know whether there is going to be cost implications, it doesn't appear to be, but be warned, if there is
25 a cost implication then we will come back to you because we

20 MARCH 2014

PHASE 1

don't have the money in the kitty to fund it.

ADV SOLOMON: One is safe in assuming that there was no price impact?

5 MR NORTJÉ: I've never seen a particular price impact for this Chair, no.

ADV SOLOMON: Then paragraphs 11 and 12 are quite important because they deal pertinently with the issue raised by Commissioner Musi on the takeover of Gear-Ratio by Vickers Defence. If you could just read those two into the record.

10 MR NORTJÉ: Chair, paragraph 11 reads:

"It has come to our attention that Reumech OMC (which includes Gear-Ratio, the reason for re-evaluating the DIP offer) has been bought out by Vickers Defence Systems, see Reference B. The strategic requirement to place a contract on Gear-Ratio would appear to have disappeared, why should [sic] we want to invest in an overseas company as part of the DIP initiative?"

15

ADV SOLOMON: Would you just elaborate on paragraph 11?

20 MR NORTJÉ: Yes Chair. It ... During that period there was newspaper reports, reporting that Vickers Defence Systems had bought out the South African company Gear-Ratio and the question arose in our minds as to whether there would still be a requirement to promote the DIP contract or the DIP work to

25 Gear-Ratio.

20 MARCH 2014

PHASE 1

ADV SOLOMON: Thank you Mr Nortjé. Then if you could read paragraph 12?

MR NORTJÉ: Para...

ADV SOLOMON: Which is under the heading
5 "Recommendation".

MR NORTJÉ: Chair, the paragraph reads as follows:

"Technically there is no direct preference for either gearbox, provided that there is no cost impact. It is recommended that the final decision can be taken upon DIP considerations if further support for Gear-Ratio is still a strategic imperative. If that is not the case then it's recommended that to remain with the already agreed upon technical baseline".

10

ADV SOLOMON: We know from ... Thank you Mr Nortjé.
15 We know from the minutes of the PCB meeting on 6th of October that ultimately a decision was taken to approve Renk.

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: Chair, Commissioner Musi, that's all on the gearbox issue, I just want to take, I'll do it just by
20 reference to the particular bundles Chair and Commissioner Musi, so we don't move around, just certain aspects that we should just touch on. I think we have, I just want to be sure
Chair, Commissioner Musi, I think we've covered everything in bundle 2 save for this, I said we would come back to the
25 meeting on the 24th of August 1999 at page 95 because there is

20 MARCH 2014

PHASE 1

some issue about an earlier meeting that apparently took place on the 19th of August and I think Mr Nortjé can perhaps assist us with that issue. Do you have the page Chair, Commissioner Musi? Mr Nortjé, do you have page 95, the minutes of the meeting of 24 August?

MR NORTJÉ: Affirmative Chair.

ADV SOLOMON: Now if we could just go to page 97 paragraph 15, perhaps it's quite difficult to read because there is a stamp over that, just I'm not sure if it's necessary to read it out, could you just indicate what that ratification was about?

MR NORTJÉ: Chair, it does refer to a previous special meeting which we had been mentioning a few minutes ago regarding a presentation to Mr Llew Swan and others to have a final assessment and look at the risk position of the Part C contracts. What was attached to this minute was a copy of the presentation that was made to them and the presentation was made in the form of slides, in those days it was not computer slides, it was still the overhead plastic slides and it was in bullet form and it is attached as Appendix "D" to these minutes as indicated in paragraph 15 and ratification by the Board was sought for this.

ADV SOLOMON: Now if we go, I did refer you to that earlier on, if we just go to page 109, that is Appendix "D". What I didn't refer you to because I didn't want to confuse the Commissioners, we were dealing solely with the gearbox issue,

20 MARCH 2014

PHASE 1

is could you just read from "Presentation" and then up to the date on page 109, do you have it Chair, Commissioner Musi? Page 109 of the same volume.

CHAIRPERSON: 109?

5 ADV SOLOMON: Yes, 109. It's Appendix "D" to the minutes. I see Chair and Commissioner Musi are nodding. Could you just read the first part of that?

MR NORTJÉ: Chair it reads:

10 *"Presentation to Special PCB meeting regarding contracting model Combat Suite 19/08/1999".*

ADV SOLOMON: Now I know in your Section 28 evidence there was reference to this meeting and it seemed to be suggested that there hadn't been a meeting. To your knowledge was there a PCB meeting on the 19th of August?

15 MR NORTJÉ: Emphatically yes Chair, the meeting did take place.

ADV SOLOMON: And if I understand your evidence what you are saying is that what was sought amongst others on the 24th of August was acceptance and ratification of that meeting and that presentation at the instance of Mr Swan on the 19th.

20 MR NORTJÉ: Yes Chair, as per paragraph 15 of the minutes indicated already.

ADV SOLOMON: I suppose though just to avoid confusion at page 96 when you look at that item 2, do you have it Chair, Commissioner Musi, page 96 in the middle next to the number 7

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20 MARCH 2014

PHASE 1

but the heading is Item 2 "Minutes of the Previous Meeting".
Do you have it Chair, Commissioner Musi? There's reference
there to a meeting, the previous meeting on the
8th of June 1999. I suppose even if there weren't minutes of
5 the previous meeting there should for completeness have been
a reference to that earlier meeting but you say it's clear from
the presentation and the ratification that there is reference
indeed to the meeting of the 19th, is that correct?

MR NORTJÉ: That is correct Chair.

10 ADV SOLOMON: Thank you Mr Nortjé. Chair, Commissioner
Musi, I just want to see if there is anything else that requires
attention in this bundle. No. So, if we could then go to bundle
3, we can put 2 away, I'm just going to touch on 3 and 4 with
your leave Chair and Commissioner Musi. The page 1 of that
15 bundle, unfortunately Chair, Commissioner Musi it's going to
require us to go to bundle 4 just for this purpose because it
deals with this technical evaluation of the DETEXIS BUS and
there are many three documents which looks similar but aren't
and will require some explanation, so I apologise, we'll have to
20 just flip between the two bundles, but Mr ...

CHAIRPERSON: I'm sorry Advocate Solomon, before you
start with this new bundles, if you are going to be more than
five minutes with the witness I suggest that we take a tea break
now.

25 ADV SOLOMON: Thank you Chair. No, I will be probably

20 MARCH 2014

PHASE 1

about 20 minutes still.

CHAIRPERSON: Maybe let's take a tea break, we'll come back maybe after 20 minutes. Thank you.

(Commission adjourns.)

5 **(Commission reopens.)**

CHAIRPERSON: Can the witness confirm that he is still under oath?

MR NORTJÉ: I do.

ADV SOLOMON: Thank you Chair, Commissioner Musi. We
10 were on page 1 of bundle 3 Mr Nortjé, this is a document that contains a technical evaluation of the DETEXIS BUS, I just wanted to, we'll unfortunately have to go to bundle 4 presently but just at page 4 of this document, so it's bundle 3 page 4 Chair and Commissioner Musi. Does Commissioner Musi have
15 it? It's bundle 3 page 4. It's part of this report, Technical Evaluation, the DETEXIS BUS. It runs up to page 5. There is a conclusion at 1.6 and the reason I'm going to the middle of the report Mr Nortjé will appear in a moment, that says:

20 *"After the above report had been completed it was provided to the project officer ...".*

It's obviously Captain Kamerman:

"... and programme ...".

I assume that must mean programme manager.

MR NORTJÉ: I would assume so Chair.

25 ADV SOLOMON: *"... under cover of a memorandum".*

20 MARCH 2014

PHASE 1

And it then goes on to say:

“While the report clearly shows a preference for the C2I2’d option it must be stated that the evaluation undertaken was purely of a technical nature and that the technical potential of the C2I2’d is preferred for all of the reasons listed in Section 1.5”.

If we could just go to the memorandum that you received in bundle 4, it’s right at the end of the bundle, page 349 Chair and Commissioner Musi. So it’s bundle 4 page 349. Do you have it Chair, Commissioner Musi? Do you have it Mr Nortjé?

MR NORTJÉ: Affirmative Chair.

ADV SOLOMON: Now you will see that that report goes up to page 352, it, there is a diagram that accompanies it and then there is another copy of the report at page 366 of the same volume which doesn’t have the accompanying diagram but has some manuscript writing at the end of the document at page 368, let’s just wait for the Chair and Commissioner Musi to catch up with us. I see they have it. Do you confirm it’s the same document save for the manuscript that is contained therein which you will identify in a moment, and this copy doesn’t have the diagram, is that correct Mr Nortjé?

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: If we could just look at the ... We’ll work from the one at page 366 because it has the manuscript but if

20 MARCH 2014

PHASE 1

we just go to the first paragraph it says:

“The report is intended to provide a brief overview of the BUS architecture being proposed by Thompson ADS for the SAN Patrol Corvette of Project SITRON”.

5

And then we don't need to go into these technicalities. Now just told the chair and Commissioner Musi who prepared this report?

MR NORTJÉ: Chair, it was prepared by Mr Lewis Mathieson, at the time in the employment of ARMSCOR and who was employed then at the capacity as combat manager for the Project SITRON.

10

ADV SOLOMON: And that was presented to you as we saw in bundle 3 page 1 where there was reference to this report under “Memorandum presented to yourself and Captain Kamerman”.

15

MR NORTJÉ: That is correct Chair, except that I have no record of any memorandum, I guess it was probably just a cover page that says: “Herewith a report ...”.

20

ADV SOLOMON: But you confirm that this is the report that you would have received from Mr Mathieson.

MR NORTJÉ: Affirmative Chair.

ADV SOLOMON: And as I say we don't need to go into the technicalities of this report but they look at the, at page 367, the positives and the negatives and then at the foot of the page

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20 MARCH 2014

PHASE 1

of 367 Mr Mathieson says:

“From a technical point of view the CS Project Team proposes that the current architecture based on the IMS be retained for the following reasons; ...”.

5 So there seems to be an indication there that one should stay with the C2I2'd product, is that correct?

MR NORTJÉ: That is the implication, yes Chair, but with the overriding proviso as per the report it says “from a technical point of view”.

10 ADV SOLOMON: Right. We'll go back to the fuller report that was done but we would need you just to identify the manuscript on page 368, whose handwriting is that, and signature?

MR NORTJÉ: That is my handwriting and my signature
15 Chair.

ADV SOLOMON: Just read out for the record what's contained on the document.

MR NORTJÉ: Chair, my scribbled note says:

20 *“Since this initial investigation more information has become available regarding the design, functioning of the DETEXIS Data BUS, it is now becoming evident that this BUS is indeed much more suitable for the task than originally judged, perhaps even more suitable solution than the C2I2'd*
25 *Data BUS.*

20 MARCH 2014

PHASE 1

ADV SOLOMON: And that, is that your signature there?

MR NORTJÉ: Affirmative Chair, it is my signature.

ADV SOLOMON: And the date when you made that note?

MR NORTJÉ: The date was the 9th of February 2001.

5 ADV SOLOMON: Now you indicate that there was an initial
investigation which is this report that we see. If we could then
go to the document we started at, I apologise Chair,
Commissioner Musi that we have to go back to Volume 3 page
1. Do you have it Chair? Commissioner Musi? Now again I
10 don't want to go into too much detail, was this also prepared by
Mr Mathieson?

MR NORTJÉ: Yes Chair, it was.

ADV SOLOMON: And we see the report imbedded in this
document that we looked at a moment ago that was provided to
15 you and described as a memorandum.

MR NORTJÉ: Yes Chair, it is imbedded in this report as
well under the heading of paragraph 1.5.

ADV SOLOMON: And in fact the introduction 1.2 is in the
report, the initial report.

20 MR NORTJÉ: I didn't quite check that Chair, it is
possible.

ADV SOLOMON: Do you want to do that?

MR NORTJÉ: Thank you Chair, I will find it quickly.

ADV SOLOMON: You can go to page 349 or page 366 of
25 Volume 4.

20 MARCH 2014

PHASE 1

MR NORTJÉ: Yes Chair, the introduction seems to coincide with the other, I'm happy with that.

ADV SOLOMON: Thank you. What is new is the conclusion on the page 4 Volume, bundle 3, "Conclusion" and 1.6 and then
5 1.7.

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: And what I wanted you to just read out, we have looked at the first paragraph of 1.6 but perhaps you need to just read the second sentence of 1.6 and then the second
10 paragraph of 1.6, so I need you to read "While the report ..." up to the end of that second paragraph up to "... works".

MR NORTJÉ: Chair, I read:

15 *"While the report clearly shows a preference for the C212'd option it must be stated that the evaluation undertaken was purely of a technical nature and that the technical potential of the C212'd is preferred for all of the reasons listed in Section 1.5. The DETEXIS option was selected purely on financial constraints placed on the project. The risk, as determined by the main contractor translated into financial penalties for the C212'd option. The Data BUS is a critical subsystem to the overall performance of the Combat Suite of the South African Navy Patrol Corvette. As such from a*
20
25 *technical point of view the main contractor has to*

20 MARCH 2014

PHASE 1

assume the responsibility for ensuring that it works”.

ADV SOLOMON: Now Mr Nortjé, it seems that what Mr Mathieson was saying here accords with what you were saying
5 in your evidence in chief regarding the selection of the DETEXIS Diserta Data BUS.

MR NORTJÉ: In essence, yes Chair.

ADV SOLOMON: Okay, if we could then move on Chair, Commissioner Musi, just staying with bundle 3, the next
10 document I wanted to draw Mr Nortjé’s attention to was at page 86 of the same volume, I see Chair nodding, does Commissioner Musi have it, page 86? He seems to have it. I just, just indicate to the Chair and Commissioner Musi what is this document, who is the author of it and just identify the
15 manuscript that’s contained on it.

MR NORTJÉ: Chair, the author was the main contractor, generally speaking I don’t know who in the main contractor particularly, it was a document handed out during discussions in the period 15, 16, 17, 18 March held in Simonstown if my
20 memory serves me correct, and the handwritten note are my own notes that appear on the document.

ADV SOLOMON: And you’ve dated it the 15th March 1999.

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: And then I don’t want to waste time on the
25 document but there’s reference to the BUS COTS, just read the

20 MARCH 2014

PHASE 1

sentence starting with “By ...” and then just comment on it.

MR NORTJÉ: Chair, the sentence reads as follows;

*“By using the commercial off-the-shelf BUS such as
Diserta by DASSAULT électronique we may save
about R27 million.*

5

ADV SOLOMON: Was that the first indication of an
alternative to the IMS Data BUS?

MR NORTJÉ: Yes Chair, that was the first indication of
it.

10 ADV SOLOMON: Then if we could go to the next document
which is to be found at page 165. Does Chair and
Commissioner Musi have it, page 165 Volume 3? I see
Commissioner Musi nodding. This is a document you were
shown in your evidence in chief, it’s dated the
15 25th of May 1999, we see at page 169 both yourself and then
Captain Kamerman signed the document.

MR NORTJÉ: That is correct Chair.

ADV SOLOMON: And we know from previous evidence was it
addressed to the main contractor, is that correct?

20 MR NORTJÉ: That is correct Chair.

ADV SOLOMON: I just wanted to focus your attention page
167 was a passage drawn to your attention by my learned and
good friend Advocate Lebala SC., it’s paragraph 13 under the
IMS, Information Management System and he referred you to
25 the price increase. Just read the last sentence of that

20 MARCH 2014

PHASE 1

paragraph commencing with: "There's no rational...".

MR NORTJÉ: The extract reads as follows Chair:

"There is no rational explanation for the current price of R77.157 million, an increase of 80% within a two month period, the current price is totally unacceptable".

ADV SOLOMON: Could you just elaborate on that? It seems that this was part of very tough negotiations that you and Captain Kamerman were having with the main contractor and were not simply accepting this increase in price based on risk *et cetera*.

MR NORTJÉ: Most certainly Sir, we almost did battle with the contractor.

ADV SOLOMON: And then the letter in response Chair and Commissioner Musi is at page 180 of the same volume, it's from the main contractor as we've defined the main contractor from the directive of the Chair yesterday, it's dated the 26th of May 1999. Does Chair have it, Commissioner Musi? I see they're nodding. This was a response, if you could just go to page 182, it was addressed to Captain Kamerman but I take it you would have seen it in your capacity as the programme manager.

MR NORTJÉ: Affirmative Chair.

ADV SOLOMON: And just page 182 item 13 there was an attempt to answer the criticism and provide some justification

20 MARCH 2014

PHASE 1

for the price increase, again I take it as part of the ongoing negotiations and head banging that was taking place between yourselves and the main contractor, is that correct?

MR NORTJÉ: That is correct Chair.

5 ADV SOLOMON: For the record just read what's contained under item 13: "Information Management System".

MR NORTJÉ: Chair, it reads as follows:

10 *"The current price of R77.157 million is based on a formal best and final offer received from C212'd (C212/PROP/051 dated 14th of April 1999). The increase in price is due to an increase in the price quoted by C212'd and the moving of the IMS from Part C to Part B of the contract, specific terms and conditions in C212'd offer".*

15 ADV SOLOMON: So this contained an explanation for the increase in price from the main contractor's point of view why they had priced C212'd much higher than we had initially thought, just based on their tender price. Is that correct Mr Nortjé?

20 MR NORTJÉ: That is correct Chair.

ADV SOLOMON: Chair, Commissioner Musi, I'm then finished with Volume 3, just a few aspects in bundle 4 and then that would conclude my re-examination. Chair, Commissioner Musi just bear with me, I'm just checking what I have already
25 dealt with in dealing with the gearbox issue and the Diserta

20 MARCH 2014

PHASE 1

report, I think there is just one or two documents that remain, possibly just one. Yes, the final document is at page 353
Chair, Commissioner Musi, with your leave, I see the Chair is very adept at throwing large numbers of papers from one side
5 to the other, I'm not sure if Commissioner Musi is as adept, do you have it Commissioner Musi? Do you have it Mr Nortjé?

MR NORTJÉ: Yes Chair, I do have it.

ADV SOLOMON: Just identify this document, I see it's signed by you at page 3, we see your signature at page 355,
10 just identify it for the record.

MR NORTJÉ: Yes Chair, it was an abbreviated report that I wrote on the subject of the selection of the, I beg your pardon, of the Information Management System on request from Mr Thomo at the time and it was addressed to him and sent to
15 him.

ADV SOLOMON: And we see in the top right hand corner, it looks like your handwriting, we will become accustomed to it, is it your handwriting and do you confirm the documents dated 11 February 2000?

20 MR NORTJÉ: That is the date that appears there Chair.

ADV SOLOMON: And you confirm the contents of this report?

MR NORTJÉ: Yes, indeed Chair.

ADV SOLOMON: Chair, Commissioner Musi, I don't want to
25 go through the whole report, it largely summarises what Mr

20 MARCH 2014

PHASE 1

Nortjé has said in his evidence over the past few days. Perhaps we can just highlight just one or two aspects, page 354, just the second last paragraph commencing with: "During a worksession ...", if you could just read that out.

5 MR NORTJÉ: Chair, the paragraph reads as follows;

10 *"During a worksession over the period 3 to 4 June 1999 with the Detexis engineers the Combat Suite engineers did a technical evaluation of the proposed Combat Suite Data BUS and verified that it will indeed the South African Navy's requirements for a Data BUS, albeit it with some limitations. Based on these recommendations and the reduced price the SITRON Project Team accepted the Detexis offers and include it in the technical*
15 *baseline currently on the table".*

ADV SOLOMON: And then just the next paragraph, the last paragraph on that page?

20 MR NORTJÉ: *"The Combat Suite Data BUS is considered to be an integral part of the combat management system and is indeed central to the entire integration effort, thus the Citron Project Team judged it prudent to place the performance responsibility of the databus in the court of the Integration Contractor".*

25 ADV SOLOMON: And again that accords with the evidence

20 MARCH 2014

PHASE 1

that you've given over the past few days skilfully led by my learned and good friend Advocate Lebala.

MR NORTJÉ: Yes Chair, it does.

ADV SOLOMON: And then if you could just read the
5 "Conclusion" just finally at page 355 of this report that you presented to Mr Thomo?

MR NORTJÉ: Chair, the "Conclusion" on page 355 reads as follows:

10 *"The opinion of ARMSCOR's auditors and legal advisors was solicited and both indicated that in their opinion ARMSCOR's actions are accountable and that there has been no unfair practice on the part of the State (see attached documents). Furthermore, the matter has also been referred to*
15 *and discussed at the Project Control Board where the final decision not to use the C2I2'd Data BUS was exercised with Mr S Shaikh indicating that he had Cabinet support in that regard".*

ADV SOLOMON: Thank you Chair, Commissioner Musi, that
20 concludes the re-examination of Mr Nortjé.

CHAIRPERSON: Mr Nortjé, thanks a lot for giving evidence, as the Commission we really appreciate your efforts. Thank you.

MR NORTJÉ: Thank you Chair, I trust that my testimony
25 will be of value to the Commission.

20 MARCH 2014

PHASE 1

CHAIRPERSON: I can assure you it will be of assistance to the Commission. You are now excused.

MR NORTJÉ: Thank you Chair.

CHAIRPERSON: Advocate Lebala.

5 ADV LEBALA: Esteemed Commissioners, we are excommunicating ourselves from this platform, this is the evidence of Mr Nortjé. Unless there are specific questions we are adding nothing.

10 CHAIRPERSON: I suppose after this witness I thought one of the evidence leaders who is going to lead the next witness will come and tell us exactly how (indistinct) and then what is the level of the preparation of (indistinct). Do you perhaps know who is going to be leading the next witness?

15 ADV LEBALA: Chair, I see teams, I wasn't fully apprised but I'm certain that their presence currently in the Commission informs the Esteemed Commissioners that they have something to say. I see Sibeko SC. and Ms Sello and Ms Ramagaga present, I'm giving over to you and them Chair.

CHAIRPERSON: Ms Ramagaga.

20 MS RAMAGAGA: Thank you Chair. The witness that would be led by our team would be ... Will be Mr Hoffman, Mr Pierre Hoffman, however, we have not as yet consulted with the witness, we have had a preliminary meeting with the witness and we only received the bundles, preparatory bundles
25 yesterday and they are made up of two arch lever files and we

20 MARCH 2014

PHASE 1

are informed that the bundles have also been furnished to the witness because the witness is no longer working for ARMSCOR and taking into consideration that the SDPP procurement happened quite a while ago it is necessary that the witness
5 familiarise himself with the facts through the documents that are available. The indication that we have is that in actual fact the bundles that have been furnished is just but a small portion of the documents that are required to assist in the matter, so the ARMSCOR Legal Team is still busy trying to compile the
10 other documents.

So, we will only get an opportunity to consult with the witness on or about Monday or Tuesday, so we are not yet ready to lead the witness and the indication that we can give is that it will take no less than two weeks to prepare for the
15 presentation of that witness and I cannot say that within two weeks' time we'll be ready, but just looking at what we have now the indication that we can give is that we cannot, it would take no less than two weeks Chair to prepare for the presentation of evidence. And having said that Chair, the
20 Advocate Sibeko SC. will also deal with the issue of availability of witnesses that his team will be leading.

CHAIRPERSON: You know I'm not sure what sorts of arrangements you have made with ARMSCOR, but then the period of more than two weeks to prepare a witness, that I find
25 totally unacceptable. I mean ARMSCOR didn't know today that

20 MARCH 2014

PHASE 1

there is a need for this witness to testify, they didn't know today. This programme was issued at the beginning of this year, so I don't quite understand why would they say at this stage that they are still busy trying to prepare documents for that particular witness, that should have been done some time ago. In any event before we finalise this let me hear what Advocate Sibeko has got to say.

ADV SIBEKO: Thank you Chair, Commissioner Musi. There are in fact three witnesses that Ms Sello and I would need to finalise consultations with and prepare or have statements prepared. The two witnesses whose names appear in the programme would be Mr, I think it's Gerhard Grobler and Mr Clive Esterhuysen. Mr Gerhard Grobler's evidence would touch on the audits that were prepared subsequent to the finalisation of the work that was done by the various programme teams in the acquisition process and Mr Clive Esterhuysen is the witness who co-chaired the SOFCOM with Mr Shamin Shaikh and his evidence relates to the role he played in the SOFCOM and also his participation at various meetings of the PCB and his evidence thread is basically up to sometime about November 1998.

We have had a consultation with him which was largely preliminary in which he gave us an overview of the evidence that he would traverse when, in his statement and when he comes and gives evidence to the Commission, but his

20 MARCH 2014

PHASE 1

statement requires the collation of documentation which we have been advised is in the process of being compiled. Chair, at the time that we consulted with Mr Esterhuyse we were also preparing the DIP witnesses, so the team that was assisting us

5 in preparing the DIP witnesses was also responsible for preparing Mr Esterhuyse so that they intended to concentrate, intended to concentrate their efforts more on getting ready the DIP witnesses who were brought forward as a result of Mr Nortjé not being able to give evidence at the time when he was

10 supposed to give evidence and we are advised that the other team working with ARMSCOR was engaged in trying to get Mr Frits Nortjé also prepared at the time, so when the efforts were concentrated on Mr Nortjé and getting the DIP witnesses ready, there seems to be a neglect of the other witnesses so that that

15 would be delivery of the DIP witnesses and finalisation of, the preparation of Mr Frits Nortjé's evidence, and the result we are also not in a position to have a witness ready, perhaps on the estimate that has been given it would at least require some two weeks to prepare thoroughly Mr Esterhuyse, we have been

20 given an indication that Mr Grobler would require the assistance of the witness who is in Australia in trying to figure out some of the things that are set out in the audit reports in respect of which he has to give evidence, how that could be resolved is a matter, I would imagine, that ARMSCOR would

25 have to deal with.

20 MARCH 2014

PHASE 1

5 However, it would seem to us that in the two weeks that we perhaps think we could have these witnesses ready, that various witnesses would be prepared so that there could be a streamlining of a number of witnesses who will come online when we commence at perhaps, with the leave of the Commission, within two weeks or so. Before I step down there is a fellow witness Mr Van Dyk whose name has been referred to in the evidence of both Mr De Beer and to a limited extent Mr Pieter Burger, these are the DIP witnesses.

10 You will recall that Mr Van Dyk was the head of that department and his testimony would have some relevance in respect of the four points that seemed to be controversial with regard to the Corvette platform which it is alleged swung the matter for GFC against Bazàn, so it is, we have been told that
15 Mr Van Wyk is no longer with ARMSCOR and we were informed that the Legal Department of ARMSCOR does not have mandates to represent Mr Van Dyk, but they have promised to revert back to us on Monday regarding the position of whether or not ARMSCOR would represent Mr Van Dyk in which event
20 we may need to consider an alternative course of conduct in that regard. So on those basis Chair, we would implore the Commissioners to consider perhaps an adjournment of two weeks to enable evidence leaders responsible for the remaining witnesses of ARMSCOR to finalise preparations of the
25 remaining witnesses in order also to enable us to present

20 MARCH 2014

PHASE 1

credible and well-prepared evidence to this Commission.

NOTE: Caucus.

CHAIRPERSON: You know, I was just talking to my fellow
Commissioner here, we are totally unhappy about the manner in
5 which things are running. We have fallen behind with almost a
week as far as our programme is concerned, now we are being
told that the evidence leaders together with ARMSCOR may
need another two weeks to prepare before we can call the next
witness. I'm not quite sure what that is going to do to our
10 programme. We have subpoenaed people, people have set
aside dates hoping that you know, they will come here on the
days that we have given and that we have given them to come
and testify. Now you are saying to us that you are still going
to need two weeks to prepare one witness, that I cannot
15 understand. That I simply cannot understand.

Two; you know with ARMSCOR, ARMSCOR didn't
know yesterday that you know by Monday or sometime next
week there are further witnesses which was supposed to
testify, ARMSCOR knew this from January, we issued this list
20 in January, they knew in January that on this particular day
this particular witness is supposed to come and testify before
the Commission, whilst they have assisted the evidence leaders
to a very great extent and at the same time I don't think we
should allow them to dictate terms to us and tell us when they
25 think the witnesses should be ready.

20 MARCH 2014

PHASE 1

I cannot draw a programme (indistinct) wishes of ARMSCOR, we have a set programme and I think that programme needs to be followed, because otherwise we are inconveniencing a lot of other people and I have discussed it with my fellow Commissioner, we're unhappy about the fact that you need a postponement of two weeks, we are going to have to adjourn now for only for one week and we'll have to come back on the 1st of April so that we can review the situation and see if at all there's a need to draw a fresh programme which clearly from what you are saying there's no way in which you are going to follow this programme and a lot of people that we have told that they must come and give evidence here, they have set aside these dates, so you must go back to each and every one of them to change their programmes because you are not ready.

ADV SOLOMON: Chair, Commissioner Musi, if I might be permitted to add something, would it be convenient now? Just in regard to standing until the 1st of April we should not lose sight of the fact that the Richard Young applications were postponed until Monday, this Monday coming, I think it's the 24th, so that's something we would still need to deal with on Monday.

In regard to the remaining witnesses of ARMSCOR who are on the programme I'd just like to put the following facts before the Commission; there are four individuals, there

20 MARCH 2014

PHASE 1

is Mr Grobler, Gerhard Grobler, there's Mr Heinrich Eric Esterhuysen, there's Ms Rentia Potgieter and there's Mr Pierre Hoffman. Of those four witnesses only one of the four remain in the employ of ARMSCOR. Mr Esterhuysen as you may recall
5 Chair, Commissioner Musi from evidence that has already been led, left the employ of ARMSCOR in approximately November 1998, November, December 1998, then Pierre Hoffman, I'm not sure when he left the employ of ARMSCOR, but he's no longer in ARMSCOR's employ.

10 Rentia Potgieter, who I'm going to return to in a moment, currently resides in Australia. Now just to put in perspective why these witnesses may possibly not have been ready to commence immediately with evidence the following facts are pertinent, first of all Mr Grobler would and will give
15 evidence concerning the internal audit reports that were completed under his direct control. The problem with his giving that evidence we had a meeting with him some time ago with the relevant evidence leaders who were going to lead his evidence and he did not have any of the facts or documentation
20 readily available to satisfy the requirements of giving cogent evidence relating to that audit report.

The audit was done under his direction and supervision but he didn't perform it and the party who did that is Rentia Potgieter who resides in Australia and he would not
25 really be in a position to give meaningful evidence without

20 MARCH 2014

PHASE 1

having the opportunity of having joint consultations with her and the ARMSCOR and the evidence leaders because of his lack of direct knowledge concerning that.

5 Now the position with Rentia Potgieter is that she has been approached, there have been discussions ongoing for some time concerning her attendance at this Commission bearing in mind that she resides in Australia and there've been intense discussions and negotiations with the Secretariat, with Advocate Mdumbi to facilitate her appearance at this
10 Commission and to cooperate in consulting with the evidence leaders, but unfortunately that can't happen because of her difficulty, she is a mother of children and living in Australia before, I understand, the 7th of April. That's the earliest time she can come here and there are certain issues concerning
15 provision being made for S&T and the like. I'm not privy to it but I've just heard second-hand from my instructing attorney that there are apparently some sticking points, but the upshot of it is, is that without Rentia Potgieter being here and being available to consult with Mr Grobler, his evidence will not be of
20 real assistance and cogency without having afforded him the opportunity of conferring with her, bearing in mind that she's been out of ARMSCOR for a considerable period of time.

And the same is to be said of Pierre Hoffman who was also, just to tell you Chair and Commissioner Musi, Rentia
25 Potgieter is an accountant by training and Pierre Hoffman who

20 MARCH 2014

PHASE 1

was the General Manager Finance at the time worked really hand-in-glove with Rentia Potgieter, so he fits into a similar position where he requires assistance from her to be able to prepare a witness statement and I think that's why the evidence
5 leaders have indicated a period of weeks rather than days because of the difficulty of getting Rentia Potgieter here, and that is really, remains a difficulty, it's a question of bringing her out from Australia which our legal team and the relevant officials of ARMSCOR have gone out of their way to facilitate,
10 to be of assistance in achieving those objectives.

And then lastly there's Mr Esterhuyse who, as I mentioned to you Chair and Commissioner Musi, left the employ of ARMSCOR at the end of 1998. There are, there have been ongoing difficulties in him getting access to documentation
15 because he is no longer an employee and there are issues concerning classification of documents that he would not be able to access because he is an ex-employee. We have been working around those problems and to try and get a coherent and cogent statement from him.

20 The other difficulty with Mr Esterhuyse is his evidence is wide-ranging, he really is the party who would give evidence on behalf of ARMSCOR relating to the higher level. Up to this point in time, as you would be aware Chair and Commissioner Musi, we've really been dealing at Project Team
25 level, Project and Programme Manager level, and Mr

20 MARCH 2014

PHASE 1

Esterhuysen would be of assistance in going to that slightly higher level, not only did he sit on SOFCOM but he was a member of the Board of ARMSCOR and his evidence is really extremely wide-ranging and as I carry on in this process it strikes me as and when one prepares witnesses the extent to which Mr Esterhuysen would be able to answer certain of the questions which cannot be dealt with at programme manager level, so his evidence remains a challenge because it's very important evidence at the higher level and it requires all these issues to be really addressed, so whilst it might appear that ARMSCOR has not been cooperative and ARMSCOR is simply asking the Commission to dance to its tune as it were, it's not correct for the Commission to have that impression.

Also it should be pointed out as was raised by Advocate Sibeko SC that there are constraints with regard to the availability of teams, budgetary constraints have dictated that the legal team at ARMSCOR has shrunk to an extent from what it was at the beginning, there just is not sufficient personnel available for preparation to be done in tandem. You may have recalled that I wasn't here for the DIP witnesses, I was assisting in the preparation of Mr Nortjé, we've tried as far as possible to split up but it's not always that easy, we don't have the luxury that the evidence leaders have of various teams, so that whilst one team is presenting evidence another team can be in the background preparing.

20 MARCH 2014

PHASE 1

We've tried to do it insofar as we have been able with our limited resources but it's, and it's placed enormous strain, I know I wasn't that involved but members of legal team were involved in preparing the DIP witnesses, they worked
5 literally 24 hours a day almost, well into the early hours to get the statements ready and the documents ready, it requires enormous time and effort to do so. The end product may not look like much if it's a 20 or 30 page statement but there's an enormous amount of work that is in the background in getting
10 that statement and the documents to that point.

So Chair, Commissioner Musi, I apologise on behalf of ARMSCOR that we have reached this point but I would like both of you, with no disrespect to just have regard to the remarks that I've addressed to you so that the impression
15 should not linger that ARMSCOR has not been cooperative and try to facilitate the adherence to this programme. Thank you.

CHAIRPERSON: Am I correct to say that Ms Potgieter was a subordinate of Mr Grobler, she was reporting to Mr Grobler?

ADV SOLOMON: I think that's correct Chair, I know things
20 have changed because Mr Grobler has moved up in the organisation, I'm just not a hundred percent sure if that was the case, but I believe it was. Chair, like everything else in this Commission there's always a story within a story and I can't give you a straight answer, but it seems that she may
25 have been reporting to Hoffman and working closely with Mr

20 MARCH 2014

PHASE 1

Grobler but certainly for the purposes of that audit she was doing the actual work although he penned the audit report, so it's not a question that he doesn't take responsibility for its content but he really can't deal with it on his own without her assistance, especially given the length of time that has expired.

CHAIRPERSON: And I haven't counted that as yet, I'm just trying to find out if she was reporting to Mr Grobler. If the answer is yes then it means that the person who ultimately approved that internal report is Mr Grobler, unless if you want to say to me that there are chances that he approved something that he didn't understand. If at all he is the one who ultimately approved that report I don't see the reason why can't he testify in her absence or are you trying to say to me that if, because I understand the conditions put by Ms Potgieter to come here are quite onerous, if we are unable to meet those conditions therefore Mr Grobler cannot testify, is this what you are trying to say to us?

ADV SOLOMON: No Chair, not at all. He's able to testify in relation to that audit report but from the preliminary meeting we had last year with the evidence leaders they wanted detail which he couldn't provide on his own that are really the layers that lay beneath that report, but the report, he can certainly say this is the report but the evidence leaders wanted to know precisely what work was done, what the ambit was, what the

20 MARCH 2014

PHASE 1

mandate was, how it was executed *et cetera*, and that level of detail he can't give and that's, I understood from the team that were leading it, Advocate Sibeko and Ms Sello, that that's the level of detail they required from him and that's where we have really hit a brick wall as it were, but for him to, he can come and say: "This is my report and I stand by it", that he will say but if one wants to know what work was done, how it was done, how it was carried out and the underlying working papers that gave rise to that report, because the report in itself has a number of question marks and processes that if one delves a bit deeper were limited in scope *et cetera*, and that detail only Ms Potgieter can give, but certainly he can give evidence, it won't take very long, he can give evidence and say: "This is my report and I stand by it", but if one wants to unpack what gave rise to that report and what work was done, he can't deal with that given the time that has lapsed and the fact that he didn't physically do the actual audit work that gave rise to it.

CHAIRPERSON: You know I'm just asking that question, probably maybe the evidence leaders would also have to explain that to us, if we are unable to get Ms Potgieter, does it mean that Mr Grobler cannot testify? If Mr Grobler can testify when Ms Potgieter is not available, why can't we go ahead because I'm not sure whether it is advisable just to wait indefinitely without us knowing when Ms Potgieter (indistinct) not certain whether he will come or not, because from what I

20 MARCH 2014

PHASE 1

understand she has put certain conditions, whether those conditions will be met or not I do not know. If we are unable to meet those conditions does it mean that she's not coming? If she's not coming does it mean that Mr Grobler will not be in a position to testify? I suppose you know as you say, because the evidence leaders are the ones who want to talk to Ms Potgieter they are the ones who should answer that question. Advocate Sibeko.

ADV SELLO: Thank you Chair. I must point out that insofar as Mr Grobler's evidence is concerned we as the evidence leaders have no interest in Ms Potgieter. If the Chair will recall there are two audit reports that were, internal audit reports relating to internal audit conducted within ARMSCOR. In some, in these reports the Audit Committee as it was then constituted had certain concerns and raised the issue that in respect of certain decisions and certain choices there was no substantiation for such decisions.

Further on in the document one then picks up that following the findings of the Audit Committee Mr Grobler went back to the Audit Committee to reassure that he had conducted some analysis and he reassures the Committee that it's ..., that the findings made within ARMSCOR were substantiated, so I still stand, barring Mr Grobler's assurances to the Audit Committee, the Audit Committee's findings must be like some of the decisions within ARMSCOR remain (indistinct).

20 MARCH 2014

PHASE 1

The purpose of Mr Grobler coming to give evidence is to explain to this Commission on what basis he drew the conclusion, contrary to the Audit Committee that the decisions and conclusions were substantiated. When we met with Mr Grobler as Advocate Solomon says, in October last year, it was to explain to him that although he is unlikely to be giving evidence, that's the first, the month of January, we appreciate that the amount of documentation we may have to wade through is substantial and therefore he should be given sufficient time to work through the documents and bring up the documents that gave him comfort where the Audit Committee had failed to gain some level of comfort that the decisions are substantiated, and that is what ought have happened.

Now if my understanding of what Mr Solomon says is correct it would then sound like Mr Grobler is unable to explain to this Commission on what basis he reassured the Audit Committee because he did not conduct whatever analysis was necessary himself and that such analysis was conducted by Ms Potgieter. That being the case Chair, if we are required to call Mr Grobler without the assistance, as we understand of Ms Potgieter, then we cannot pose these questions (indistinct) even if they are posed his response will be that; "I'm unable to answer that question". What Mr Grobler's findings are, we are aware of that, those are reflected in the Audit Reports, how he reached those findings is what we were trying to establish

20 MARCH 2014

PHASE 1

Chair.

CHAIRPERSON: Apparently we'll have to adjourn then until
the 24th so that we can be in a position to deal with the
applications of Mr Young and I think there's a need for us to
5 have a meeting with our evidence leaders in order to try and
understand some of these things because we don't seem to
understand them. So, let's adjourn until the 24th, we'll start at
10h00 and on that day too we'll also have to have a discussion
with our evidence leaders in order to understand what the
10 difficulties are and assess the level of preparedness of the
witnesses who are supposed to come and testify. So, we'll
adjourn then until Monday the 24th so that we can be in a
position to deal with the two or three applications of Mr Young.
You have been excused from the ... Thank you, we'll then
15 adjourn until Monday the 24th.

(COMMISSION ADJOURNS)