

ARMS PROCUREMENT COMMISSION

Transparency, Accountability and the Rule of Law

PUBLIC HEARINGS

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HEARING ON 5 MARCH 2015

CHAIRPERSON: Thank you. Good morning everybody. Advocate Sibeko?

ADV SIBEKO: Thank you, Chair. To the witness, Dr Young, be
5 reminded that he still is under oath. I believe that he took an oath,
yesterday, before we adjourned.

CHAIRPERSON: I am not sure if he did. But, maybe to be on the safe
side, let him take the oath again, today.

ADV SIBEKO: As it pleases the Chair.

10 **RICHARD MICHAEL MOBERLEY YOUNG:** (d.s.s.)

ADV SIBEKO: Chair, I think, the record will show that the witness has
confirmed that he still is under oath. Chair, just on issues of, of
housekeeping, before we kick off with Dr Young's evidence, when we
adjourned yesterday, it, the adjournment was being tendered to assist
15 us and the team and the Commission staff to properly put together the
bundles.

That process took a lot longer than we had anticipated. What has
happened is, we have re-organised the bundles that were put at the
bench yesterday. We have re-organised the documents, that, according
20 to the statement, up to page 97.

At page 97 of Dr Young's statement is a document marked [BT1-
07779PDF]. That document, the Chair and Commissioner Musi will, in
due course see, is now marked RMY 84. So, what we and the team
have done, is to cross reference the documents that the witness will be
25 relying on, as RMY documents, numbered from one until the end.

We will continue with the process, when we adjourn, to just complete the bundles of documents. So, as matters stand, we have recreated the bundles, up to five volumes, which are still being finalised, for purposes of copying.

5 But, we have the first volume one, which starts with documents RMY, RMY 1 and ends at RMY 26. Now, furthermore, for, for purposes of convenience, as some of the documents that are contained in this bundle have been printed and paginated and put in different bundles. It was felt that, in order to save a few trees, we should use the documents
10 that were available, with the numbering at the top right hand corner.

But, what we have done is, we have, we pressed at the team, to scratch out the numbers at the top right hand corner. If that has not been done yet, it will be done in due course. But the uniform numbering of these documents, the Chair and Commissioner Musi and colleagues,
15 will find, at the bottom of each page.

So, when we refer to a document, in the course of evidence, if it is RMY 1, that document will be found in RMY 1, in, in file number one, page 1 appears at the bottom. We have also requested that the various files be, have page dividers, so that, to make it easy for people to have
20 reference to the documents.

Finally, each file will have at the spine, a label, which sets out which annexures are contained in that file, for ease of reference, as we proceed with the testimony of Dr Young. Thank you, Chair.

Dr Young, you recall yesterday, when we adjourned, we were at the
25 position, where you had given evidence, regarding your qualifications,

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as they appear in your short form cv, which is RMY 1. Can you see that? Now, RMY 1, Chair, you will see in the statement, at the, at the end of paragraph 4 in page 1 of the statement is a document, referred to as cv, for APC RMY. That would be RMY 1. Do you see that, Dr
5 Young?

DR YOUNG: I have got the document in front of me. I am just looking for it in the witness statement. I have got the, I have got the cv in front of me. Yes.

ADV SIBEKO: Now, in your cv, you have academic qualifications.
10 You have already testified that you hold a Bsc Engineering degree and Msc in Engineering and a Phd in Engineering. Could you just explain what your Masters degree dissertation and Phd thesis have dealt with?

DR YOUNG: Yes. The Masters degree of dissertation had a subject, basically involving local area and the use of local area networks for the
15 integration of real time distributing systems, which is relevant, because that is exactly what a combat suite is. As my, as my witness statement says, effectively the Phd, although it had a slightly different title was a far, well, larger, dealing with the same topic, but more at a Phd level than a Masters level.

20 ADV SIBEKO: So, would it be correct to say then, that the Phd thesis, dealing with the subject that you dealt with, in your Master's programme was at a more advanced level, in, in the subject, you were discussing then?

DR YOUNG: Yes. The, the doctorate thesis was a more advanced
25 level, than the Masters.

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ADV SIBEKO: Yes. You say that the doctoral thesis, as well as your Master's thesis dealt with the academic side of the subject matter that we are dealing with, in these proceedings.

DR YOUNG: Well, sure, one has to deal with the academic side of it.

5 But, it was far, far more than that, because it also involves a project and not just a dissertation or a thesis. It was a project with real equipment, real software and real testing. Most, most of that had actually been completed, by 1996. That is reported on, as far as the project aspect of the, of the thesis is concerned.

10 ADV SIBEKO: Could you just briefly tell the Commissioners what a project in your doctoral thesis dealt with?

DR YOUNG: Yes. We will have to go back, just a half a of a step, is that in 1989, 90, we have started a project for the predecessor of the Corvettes and the Project Sitron, it was a frigate called, it was Project
15 Falcon, Project Foreshore and Project Falcon and we had done some work on that. Money had to be expended on both the effort and the [indistinct]. Basically, the equipment together for, basically for what we called as a, a test bed. But, that was reconstituted, once I formed my own company in 1992 and I, I had finished my Master's dissertation, by
20 the end of 1992. But, that whole test bed was used, to develop and qualify the concepts, which firstly, got documented in my Phd thesis and then formed the embryo of the work that was done for the Corvette project and Project Sitron.

ADV SIBEKO: Now this Project Sitron, you are referring to, when did it
25 start? Can you recall?

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DR YOUNG: As far as I know, the project, or at least, my knowledge of it, or involvement of it, started in 1993.

ADV SIBEKO: Now, apart from the academic qualifications that appear in, at RMY 1, this is your cv. You said that you are a professional engineer and you are registered as such. Is that correct?

DR YOUNG: That is correct. I am registered currently, with the Engineering Council of South Africa, who is responsible for that.

ADV SIBEKO: Yes. You, having, having done, or having been involved in these projects, development projects, relating to the combat suites, et cetera, as you have just testified, how long have you been working in that area?

DR YOUNG: Well, my whole professional life, I have worked in the area of data communications, connecting pieces of equipment together, from 1982, when I started work. From a military point of view, I started at a [indistinct] we see, in 1985, when we did very much the same thing on a new submarine that the, that we were building for the Navy. So, *ja*, from a military point of view and directly relevant to the context of these proceedings, 1985.

ADV SIBEKO: Correct. Under the section dealing, under the section dealing with your employment, you list entities, such as Teltech, Plessey South Africa, UEC Projects and Yokum and you set out the period, during which, you worked at these companies. Very briefly, tell the Commissioners what kind of work you did, at each of these companies and why these companies were important.

DR YOUNG: Okay. Teltech is the name of a division of Standard

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Telephones and Cables, which is now, these days part of the Altech Group which does a huge amount of telecommunications in this country. But, basically, as I said, my responsibilities in the, there all involved data communication, which technically speaking is a pre-cursor of what I have done in, in the military context. For the next 18 months I worked at Plessey South Africa, which is now called the, residue of, is now called Telemac, which is also involved in these strategic defence packages. But, then, again I was in the telecommunications division and I did basically, more of the same, connecting pieces of equipment, together with the pieces of wire and software. Then, I joined a company called, Trivetts UEC in beginning of June 1985. Pretty much, of what I have been doing there, in a non, previously in a non-military context, I started doing, as I have said, in a military context and for submarines. For the next project, when this got cancelled in, I think it was 1988, 1989, I was involved in more data communications, but specifically for a combat suite for a submarine. The last couple of years at UEC Projects, it became UEC Projects, after the Altech group bought it in, I think, it was towards 1986. For the last couple of years 1989 to 1991, when we stopped working on the submarine project, we started working on Project Foreshore and Falcon, which was a frigate, which was kind of a predecessor or it is the, it is called a predeceased project, Sitron round one. So, and that was a, again, data communications, system integration, using data for a combat suite, but not of a submarine, but for a certain special, called a frigate.

25 ADV SIBEKO: And your, your involvement, at the company CCII

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Systems, also known as C Square I Square, can you tell us briefly about this?

DR YOUNG: Yes. I started working and operating the company, I think, it was on the 3rd of February 1992. As I have said in my witness
5 statement, I had registered the name of the company, about, I think, it was a year and a half before that. But, it was, it was just a dormant, it was a shell company, just reserve a name and have a company. Thereby, it also had a company registration number. But, I started working in February 1992, at, I think, it was then a subsidiary of Denel,
10 which is called Homing Technologies, in short for Hotech, out there, by Grabouw, where we were designing, what they call a space launch vehicle. In its, in its previous form, I worked on RSA 4, which never physically existed. They were launching RSA 3, which was a similar version. But, RSA 2 and 1, were actually military missiles to launch,
15 *inter alia*, nuclear missiles. There was a satellite involved as well. Basically, for the first five to six months of my working life at C Square I Square, I worked out there, four days a week at the facilities, which about 100 kilometres, or so from Cape Town, out in the, out in the bush. Thereafter, that project came to an end and I went back and started
20 working from Cape Town. Soon after that in, I think, September 1992 I was contacted by Armscor, to find out whether I would be interested in carrying on at a technology development level, not at a technology retention level, in Project Diodon, what was technology development for the Navy, for future technology. But, whether it included submarines, I
25 do not know, but certainly surface vessels. The answer, of course, was,

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yes, but only if we started working on that, some time in early 1993.

ADV SIBEKO: And this is after you had left Trivetts UEC Projects. Is that correct?

DR YOUNG: Yes. Actually, Trivetts UEC (PTY) LTD, became UEC
5 Projects in around about 1986. But, then it was called UEC Projects (PTY) LTD.

ADV SIBEKO: Alright. So, that entirely, we have basically dealt with what is contained in the RMY 1. That is the short form of your curriculum vitae. At paragraph 5 of your statement, in paragraph 5 and
10 6, you, you say that the facts contained in this statement, some you have personal knowledge thereof. Some of it has come to you in your capacity as director and effective beneficial active holder of C Square I Square. Can you explain briefly what you mean by that?

DR YOUNG: Yes. Yes. I had a personal involvement, obviously, in
15 the company and the company had an involvement in the strategic defence packages, the Armsdeal. So, there, from a personal point of view and from a company point of view, I have been exposed to many of the processes, both documentary processes and the meetings and interactions with a huge number of colleagues in the industry and of
20 course, formally provided with literally thousands of documents in the bona fide and legitimate stream of things for the implementation of that project. We are talking specifically of the Corvette project. But, I was also involved, to a smaller degree, a smaller degree in the submarine project.

25 ADV SIBEKO: And that is confirmed, largely, in paragraph 9 of your

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statement, where you set that out that you were involved in certain of the processes, for the acquisition of four Corvettes for the Navy and in particular, the Corvette combat suite. Could you expand on that for me?

DR YOUNG: Yes. Typically, a, a vessel is divided into what they call the float and the move part and that is the Corvette platform. Then there is the fight part, which is the combat suite and we were mainly 99.9 per cent involved in the, in the combat suite part. But, I had a small, small involvement, not necessary contractual, but in terms of knowledge and information in the platform part, which we address in this witness statement, in the evidence, called the integrate platform management system and specifically in the simulator therefore.

ADV SIBEKO: So, is it, is it correct, as you point out in paragraph 10 of your statement that it is because of your interest in the SDP's, you have familiarised yourself with matters, outside of the Corvette and combat suite of the Corvette?

DR YOUNG: Yes. I certainly had an interest, a professional interest in what we tendered for and what we did. But, as my witness statement, of course, clearly, very clearly states, there is in my view, certain things that are questionable and I took up, not or as an interest, a particular interest in what went wrong. What I, in my view, what I thought went wrong and so, I made it my business to find out, what actually did happen, in the Corvettes and the combat suite in particular. Basically, as a kind of a spin off, you know, once one gets involved a lot more information came to me. Documentary evidence, as well as discussions with a lot of role players, about the other aspects of the SDP's, not only

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the submarines, but I have learnt a lot, about the military aircraft and even the, the helicopter aspects of the acquisitions.

ADV SIBEKO: Now, if you turn to, if you turn to paragraph 12 of your statement, it appears on page 3.

5 DR YOUNG: Yes. I have got it.

ADV SIBEKO: You have got it?

DR YOUNG: I have got it, yes.

ADV SIBEKO: Alright. You state there that:

10 *“Since your initial involvement, it is become the nature of things to become as familiar and knowledgeable, with the other aspects of the SDP’s, such as circumstances allow.”*

And you continue to say:

15 *“In that regard, you have come into contact with many people, interested in the SDP’s, including official South African and official international investigators.”*

Now, if you pause there, which of the official South African investigators did you come into contact with, in the course of the investigations, relating to the SDP’s?

20 DR YOUNG: Okay. The very first units, with whom I had contact was the Special Investigating Unit. It was then headed by Judge Heath. When they ever got a proclamation, or clear they were not going to get a proclamation, to investigate, they handed me over to the Auditor General and there was interaction, then, with the other, other investigation agencies, being the Director for Special Operations and the
25 Public Protector. Those three organisations became the Joint

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Investigating Team, for the, for the SDP's. So, that was effectively, the team, plus of course, as I said the Director for Special Operations had a kind of a special role in that. When the Director for Special Operations was closed down, I think, it was about 2009, not that many years ago, 5 comparatively speaking, then I became involved with the unit that effectively took over their responsibilities, which was the Directorate for Priority Crime Investigation, which is a division of the South African Police Services.

ADV SIBEKO: Now of the international investigators that you had 10 contact with, in the course of your engagement with the SDP's, are you able to say, which of these you had the contact with?

DR YOUNG: Yes. The first one was the British Serious Fraud Office, the SFO, who was put into contact with me, by a senior special investigator, Wilhelm Kreisman, I think, his name was, who was 15 responsible for the aircraft investigation in the JIT, before he resigned. At, whether it was his request, with instigation, or the SFO's instigation, they wanted to meet me. Their principal investigator, Gary Murphy, and his colleague with the SFO, she was a Barrister, a special investigator, they came out and visited me in the UK, with Wilhelm Kreisman and 20 there has been a bit of interaction, by email and documentation, since then. The other one is the, the German investigating authorities. I am not quite sure, who initiated the contact. I think, it was basically, sort of semi-mutual, but with the third parties, putting this together, but there were two investigations in Germany at least, one for the submarines, 25 one for the, for the frigates. The particular ones that I dealt with, were in

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Dusseldorf and they were the detective branch of the, of the German police in Dusseldorf and they were responsible for investigating the, the Corvette deal. There has been some interaction with the people, I think, it is in Essen that they have also, other people in Munich, involved in the, in the submarine deal.

ADV SIBEKO: Now ...[intervene]

CHAIRPERSON: Advocate Sibeko, I am sorry, just before you pass there. I did not quite follow the witness. The German investigators, who, in particular did they get in touch with? In order to do your investigations, but then, who in particular did you get in touch with? Can we get the full details of those people?

ADV SIBEKO: Do you understand the question that was put to you, by the Chairman?

DR YOUNG: Okay. I did actually, fully answer your question. That is actually an extra thing that now I am being asked to divulge the details of individuals. I will be frank, at this point in time, there are particular sensitivities involved in this matter. We will deal with the matter of the MLA's, the mutual legal assistance requests, backwards and forwards, between the countries and the investigating patency. But, I think, it is safe to say that the head of that unit, in Dusseldorf and I have spoken to him on the phone, but he cannot speak English properly and he asked, and I phoned back and I was put on the speaker phone to people, who could speak English. I do not know who they are, exactly. But, there is documentary on the record, of my communications with a detective, Chief Inspector Andreas Bruns of the Dusseldorf criminal investigation

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unit.

CHAIRPERSON: Dr Young, I do not quite understand your answer. The question is simple. You are saying that you spoke to certain investigators in Germany. Who are those investigators that you spoke
5 to?

DR YOUNG: I think, I have just made it clear. Chief Detective Inspector Andreas Bruns, whom I spoke to on the telephone and he did want to talk at great length. Because he did not, well, he could understand English, but he could not speak English, I do not know, but,
10 I, I have phoned back and spoken over speaker phone, where he had his colleagues there or at least listening to me. But, I do not know the identities of people in his team, with whom I communicated by telephone and then, speaker phone.

CHAIRPERSON: Let me follow. Besides Andreas Bruns that you
15 have mentioned, which other investigators did you speak to?

DR YOUNG: I do not think I have spoken to any other investigators from the German police. But, I have communicated by email, not so much with the German police, because they would not deal with me directly, but they handed me over to the prosecuting authority. I think, I
20 can remember a name of Martin Fischer, Advocate Martin Fischer, with whom I corresponded, by email.

CHAIRPERSON: So, if I understand this, you spoke only to one person. Then, the others, you have communicated with, over emails.

DR YOUNG: No. I did not say that. I said I spoke to Chief Detective
25 Andreas Bruns. He is the only person, who I knew by name and when

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we spoke later, by speaker phone, there were, at least one, there might have been more, more, I do not know. One of the people was meant to be fluent in English and I cannot quite remember this, going back probably to 2008 now. Probably that person asked me questions in
5 English and translated for their boss, being Andreas Bruns.

CHAIRPERSON: Okay. Thank you.

ADV SIBEKO: Thank you, Chair. During, during the course of your communication with either of the investigating authorities that you have described, in your evidence, were you furnished with any documents,
10 relating to the investigations that were being conducted by them?

DR YOUNG: No. They have never given me documents. Certainly, the Germans have never even discussed documents, with me, at all and certainly not directly. As far as the Serious Fraud Office is concerned, I have never received from them, documents. But, in my office, they did
15 give me a blue lever arch file, which had several dozens, dozens of pages of, of relationship diagrams, created by some computer software. I think, it is IBM software that creates relationship diagrams. They wanted me to look at that, which also includes people's names and things like, transactions. There was the, a sort of different view that,
20 which is more in tabular format and was like a spreadsheet, which has got financial transactions, including benefactors, beneficiaries, I think, bank account, bank details, dates announced. They really wanted to know from me, whether I recognised any of the, the parties involved. It was, that itself, must have been 10 to 20 pages and I spent 15 minutes
25 going through it. I have to be very honest, 99 per cent of all of those

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things did not mean anything to me. They were probably let us say three or four or five, which I kind of recognised. But, nothing was new to them and then they, so, and, and they said they would give that copy to me. They just asked me to quickly peruse it. Then, he took it back.

5 ADV SIBEKO: In paragraph 14 of your statement, you mention that you have previously made some submissions to the Commission. Can you just briefly describe what those entail?

DR YOUNG: Well, I think, it is one, one formal submission. Of course, there are other plenty other administrative type of submissions.
10 But, the particular one, with reference to the draft witness statement, is, that came to me from probably reading the transcripts, is that, if I wanted to, to cross-examine any of the witnesses, who have preceded me, is that had to be in the, in the light of the context of a summary of my own evidence, before the Commission. So, at that stage, I had a
15 draft witness statement. We are going back now, a year or so ago, it was. I did sign that, but I very clearly annotated that as draft. I submitted that to the Commission, as what I understood to be a prerequisite for making another submission to formally cross-examine one of the witnesses. At that particular time, it was an Armscor witness,
20 by the name of Fritz Nortjè.

ADV SIBEKO: And you have also made a discovery of certain documents, during the course of 2011, of the documents that you intended to use. Is that correct?

DR YOUNG: Yes. I think it is certainly not something I initiated.
25 Armscor initiated a standard Rule 35, rules of the High Court application

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for me to discover. The Commission issued an order, where I actually did such a discovery, which was far more than that, because it did not just produce a, a schedule of documents. It actually culminated, according to the schedule of me, actually producing each and every
5 single one of those 1061 documents, in pdf format, which I handed to the Commission. I think, it took 365 days, to the day, the 5th of March last year. So, I not only did the discovery, but I actually furnished all the documents to the Commission a year ago.

ADV SIBEKO: And as you give evidence today, you do so under
10 compulsion of a subpoena. Is that correct?

DR YOUNG: Yes. I, I am not a, I am not, formally speaking, a willing witness at this Commission.

ADV SIBEKO: Alright. At paragraph 18, well, at, at paragraph 17, if we track back a little, you say you have deposed to an affidavit in the
15 Constitutional Court, supporting Mr Crawford-Browne's application, to have the Commission established. Do you confirm this, then?

DR YOUNG: That is correct, yes.

CHAIRPERSON: Sorry, can I ...[intervene]

DR YOUNG: That is correct, yes. But, if I may, I see we have just
20 jumped over paragraph 16. I wanted to ventilate at some degree ...[intervene]

ADV SIBEKO: Yes ...[intervene]

DR YOUNG: But, of the several hundred documents, that we are using, in my witness statement today, half of which we have copied is
25 the vast majority, were provided to the Commission on a digital format in

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pdf, a year ago. Just a small amount, I am talking about a couple of thousand, were provided to yourselves, on behalf of the Commission last week. The reason there, of course, a year has, has gone by, since and many other witnesses have testified and in reviewing their own
5 testimony, of course, it has given, it, itself has given rise to further documents and also further evidence of my own, which has necessitated the production of, of further documents. That is a reason why there are further documents from, from last week. Of course, we worked over this, over the weekend and the documents that I added to, in my witness
10 schedule, I have produced. I gave it to the Commission on Tuesday morning.

ADV SIBEKO: You, you mentioned also, that you have been previously involved in the litigation of various parties and this appears at paragraph 18, of your statement, in relation to the SDP's. Can you just
15 briefly tell the Commission what these entailed?

DR YOUNG: Yes. There were various legal processes. Some were Civil Court cases, involving a, an action for damages, which basically did not make court. It was settled out of court in 2007. But, it went pretty far, certainly as far as discovery, from our side, to the, the other
20 three parties. Unfortunately, it never involved any discovery from those parties. But, it certainly involved a lot of documentation. There were a couple of other civil actions, were, which particularly there were defamation claims, which also involved and yielded a lot of documents, of course, which I have today. But, there, as I have said here, there is a
25 thing, called the Promotion of Access to Information Act in this country. I

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used that act, in about three or four instances. There was one to the Department of Defence. There was another one to Armscor. They eventually amalgamated forces there. So, it was a joint one. There was one to the Auditor General. There is one to the Public Protector. There was, I think, those are the main ones, that actually went, went far. They went to court. Actually, they went right to the Supreme Court of Appeal in Bloemfontein. But, certainly, from the Auditor General's side, it eventually yielded, just under the reduced record, which involved the Corvette combat suite only, several thousand documents, maybe, several tens of, tens of thousands of pages of documents, in six tranches, over three years. I am just saying, because there is a big disjointness of information, of which I have had to use, analyse the purposes of, of this particular endeavour right now. Then, the same from the, the joint approach from the Department of Defence and Armscor, also over several tranches, over a period of time and I also received many, many thousands of pages of documents. Many of the documents that I have been able to, first of all, get a view of the bigger picture, are documents that have been provided to me, under, under the Promotion of Access to Information Act.

ADV SIBEKO: And the, what you have just stated in your evidence is, it is confirmed in what appears in paragraph 19 of your statement. You say that of the volumes of documentation that were provided to you, among others, you have applied a process. You have used some of those documents, to support the assertions and contentions that you make, in your statement. Is that correct?

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DR YOUNG: That is correct. I said, I think, when my, my discovery schedule is a 1061 documents, but that is related, or relevant documents. Altogether I probably have several, five thousand documents. But, they are not directly related to this issue. But, it all, it all involves, I think, I did a, that is 25 000 pages, of which we, I did a quick count, the second part of our bundle, quite, is going to take us through about 160 documents. So, I have just used, it is 160, about 10 per cent, of what I discovered, in my discovery schedule.

ADV SIBEKO: And it is also correct that over the time that the Commission has conducted these proceedings, you have followed them. You read the transcripts, as well as some of the documents, contained in the bundles of each of the witnesses and you see how this impacts on your evidence.

DR YOUNG: Certainly, in the main, especially, where it affects my particular area of interest, I have certainly read the transcripts, the witness statements and most of the, the evidence bundles, which have been published. There are other areas, which I hope to be able to get to. I cannot say I have [indistinct] every single thing of any single witness. But, where it affects me, I have at least, tried to familiarise myself, with what I think is relevant to my participation.

ADV SIBEKO: Now, as from, as from paragraph 21 to 28, you deal with your academic and professional qualifications and accreditations. You will recall that we have already dealt with your Bsc Eng, Msc and Phd. Is there anything else you need to add, regarding your academic and professional qualifications and accreditations?

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DR YOUNG: No. I think, that is sufficient. Sorry, I think, that is sufficient for the, these purposes, at the moment.

ADV SIBEKO: Now, Dr Young, of particular interest to me is what appears at page, at paragraph 27. You say there in December 1991,
5 you were invited to deliver a paper at the Royal Institute of Naval Architects NAVTEC '91 International Symposium on Information Technology and Warships in London. You give a title of the paper that you delivered there. Now, when you were invited, in what capacity were you invited? Was it personal? Or you were representing some
10 institution?

DR YOUNG: Okay. I have only, in to, put this in this particular part of my witness statement, as part if my credentials.

ADV SIBEKO: Yes.

DR YOUNG: As, as, I think, I say a little bit later, if some, I am going
15 to be asked, I think, for my opinion on certain aspects and I understand, legally speaking, only experts can tender their opinion. So, I have put on the record that, I think that my academic and professional background, qualifications and experience, possibly qualify me, to be an expert witness. That is the reason why this appears there. But, it is
20 also a pre-cursor for what I deal with, much later, in my witness statement, specifically responding to evidence, given by a previous Commission witness, Admiral Kamerman, where this, these points are brought up. There I specifically deal with the why's and the wherefore's. If you want me to deal with it right now, I certainly can, from memory.
25 But, if you want to leave it until later, there is more, there is more

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performing on the, on the hyperlinks.

ADV SIBEKO: But, if you just deal briefly with it, just as an appetiser of what is to come in full detail later.

DR YOUNG: Okay. As I have said before, I was working on Project
5 Frizzle, was the combat suite part of Project Foreshore, which became
Falcon, in the 90, maybe late 1989, 90 periods. I, I think, it was certainly
early 1991, those projects got cancelled. I have testified before, and
other witnesses have testified for lack of funds. Okay. But, we had
received, I am talking about [indistinct] the projects now, a small
10 ...[intervene]

CHAIRPERSON: Advocate, Advocate Sibeko, can the witness talk into
the, into the mike? We are struggling to hear him.

DR YOUNG: Okay. I, I have been asked not directly, because then it
hisses. So, okay, but if it hisses, I just need to be told, because I cannot
15 hear myself hissing. Okay. So, we received a contract, when I say we,
a team at UEC Projects, led by myself, to do some of the initial
preparatory work, for the, and I can hear a reverberation now, for, for
that particular project. We probably have not been going six months, in
fact, we have not even expended that money of the project, when it was
20 cancelled. The project officer of Project Frizzle was somebody, called
Commander Brown MacBeard. In the year previous, 1990, there was a
NAVTEC '90, a symposium every year, which he attended, he and a
couple of Armscor, Navy and Armscor, he attended, just as a, as a guest
and not as a speaker. He said he had learnt a lot. It was his idea that I
25 should attend, also, just as a participant. Because this particular

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symposium, NAVTEC '91, the theme of it was information technology and warships, which is right down my alley, so to speak, data basis and where ever I do, is involved in information technology. So, I made an, in fact, it was his idea, right up at the front, he said why, with the

5 knowledge of the Armscor programme manager, who was somebody, called Anton Jordaan, at that stage, why do we not use some of the outstanding unspent project funds, to send me overseas, to attend the conference. The time was short, at this stage, so I actually phone them to find out. Also, I was not, at that stage, even sure, whether they would

10 welcome South Africans, because these were, this is 1991. It was of the years of the embargo and although the cold war was over, South Africa was still somewhat of a [indistinct] in the world. Anyway the secretary of RINA was very friendly and he said, have you not got a paper to present and I said, no. He said, come on, surely you can, we are short of

15 papers and what is more, if you can prepare the paper, your entrance is free. So, you only have to pay for your airfare. That was 435 pounds, which sounds like four thousand, four thousand. No, it works about R8 000.00, but in those days, it was a lot of money. Anyway, this was August 1991. By I would say two months, I put together, in my head a

20 synopsis and I realised I could actually give a paper and I submitted a, a synopsis of it and it was accepted. So, I tendered as a speaker and the project funded my airfare and my two nights at the hotel, where the symposium was held. Let me just try and think of, yes, of course, although the project funded, the, the money actually had to come from

25 the company, because the company had been paid the money, by

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Armcor. So, all the administrative things were, were done. The application went overseas, for the trip and the foreign exchange, all that stuff was done by the company UEC Projects.

ADV SIBEKO: Now, the, the paper that you have, that you delivered, eventually, is, is a document, you have referred to in square brackets at the end of paragraph 27 as IM.infra.pdf. Am I correct?

DR YOUNG: Yes. I have just opened the hyperlink to my soft version of that and that is called information, it was the title of my paper, information management infrastructure for an integrated ...[intervene]

10 ADV SIBEKO: Speak into the mike ...[intervene]

DR YOUNG: Sorry. The, that is a reference to the title of my paper that I presented to the symposium and that is called an information management infrastructure for an integrated combat suite architecture.

ADV SIBEKO: Now, that document is now in the bundles and it is referred to as RMY 2, which, Chair, you will find in file one, at, as from page 3. File one, page 3. Now, Dr Young the, the document, I am showing to you, would you confirm that that is the document, the cover of the document?

DR YOUNG: Yes. I have got that in, yes, I have that in front of me.

20 ADV SIBEKO: Yes. Now, at page 3, it sets out the summary of the paper and would you, do you confirm that, what is set out in the summary is what you have described, this paper as dealing with?

DR YOUNG: Yes. I confirm that. Although I am, at this stage, I am working from memory.

25 ADV SIBEKO: Yes.

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DR YOUNG: I have not gone through this, in the last couple of years.

ADV SIBEKO: I, I understand. Just below that is another document, you referred to as Y RINAS2. What is that document? The next document, for purposes of identification in the bundle, is now RMY 3,
5 which appears, as from page 32.

DR YOUNG: Yes. That is correct. The s stands for slides and what the documents, I have in front of me is a colour photocopy of the slides that I presented at RINA.

ADV SIBEKO: So, the document at YM 3, accompanies the document
10 at RMY 2.

DR YOUNG: That is correct [indistinct].

ADV SIBEKO: At, at paragraph 28, you mentioned that, you mention there that you have delivered another paper in 1992, at an Armscor sponsored industry workshop. Could you just briefly tell the
15 Commission what that was about?

DR YOUNG: Yes. I have just mentioned that, partly, as a, as a, to qualify me, as an expert in this particular field. But, it is also a, as you call it a taster, a pre-cursor what I ventilate in slightly more detail, much further on, in my witness statement. Because even though I have been
20 requested, while an employee of UEC Projects, by Armscor to deliver this project, by the time the symposium, I think, was actually delayed by a few months. I was able, it came around, I left UEC and I was with my own company and I actually tendered my so-called resignation to the Armscor manager, Glen Murray, who was running that symposium. He
25 insisted that never mind, you must carry on doing it, whether it is in your

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own name, or your, your company's name. I actually, I actually gave it in my personal capacity in, well, in, I gave it, but in the company's name, despite that I have been asked before I, before my company started operating. But, if I may, you are talking about a taster and pre-cursor, 5 we have just traversed the RINA paper and the RINA slides. I, I just want to point out, at this stage that both, I got them both in front of me and the, the copy of the paper, which was available, long before I have [indistinct] toward the summary, gives the name of the presenter, being me, as Richard Young PRHBSC from C Square I Square Systems (PTY) 10 LTD, Cape Town, South Africa. The, whereas the slides have a logo, which you can actually see, is done quickly in Coral Draw by me, long before I had a business and proper logo, in a, in a hurry. It does have a registration number of the company that I used, my own company. But, if you can see, very clearly, you will, I had absolutely nothing, from RINA 15 or from Armscor, as we will come to later, or anybody else, in my own company that I was giving this paper in and they, in my name, in the name of a company called C Square I Square, even though, at that stage, I was working for UEC Projects.

ADV SIBEKO: Okay. Now, having dealt with the papers, that you have 20 referred to, as from paragraph 29 of your statement ...[intervene]

COMMISSIONER MUSI: Can I, can I just, quickly, before you, you go further, just ask for some minor clarity? The, the paper you delivered, at the conference in London that was in December 1991. It is before you got your Masters.

25 DR YOUNG: Yes. I submitted my Masters dissertation in around, yes,

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I submitted my Masters dissertation, as I say in my witness statement, in, well, I certainly say, I received my Masters in December 1992 and I delivered the paper, I delivered the paper in December 1991. I submitted my Masters dissertation for examination in September 1992.

5 COMMISSIONER MUSI: And when you, you submitted the paper at the Armscor conference, you were also still busy with your Masters.

DR YOUNG: Yes. As far as I remember, yes.

COMMISSIONER MUSI: And, and you said, this paper, you delivered under the name of your company, the Armscor conference paper.

10 DR YOUNG: I actually cannot remember, exactly, because I do not have a copy, copies. I do not even know, whether they still exist. But, you know, when a speaker is introduced, they normally introduce his organisation and what I, from what I can remember in 1992, I was introduced by name and representing CCII Systems.

15 COMMISSIONER MUSI: So, that company was already registered?

DR YOUNG: Yes. As I, as I said before, I registered the company, in fact, I think, the company registration number, it has got a 90 at the end of it. No, not the end of it, the beginning of it, so that means, it was registered in 1990, my name and I have got a number. I started working
20 for C Square I Square, it became operational on the 3rd of February 1992.

COMMISSIONER MUSI: So, so when you registered the company and also delivered the conference papers, you where, you were still employed, by some other entities?

25 DR YOUNG: Sorry, I did not quite hear. The [indistinct] are battling to

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hear ...[intervene]

COMMISSIONER MUSI: Can, I think we ...[intervene]

DR YOUNG: I, when I gave the RINA, the RINA paper, I was employed by UEC Projects and when I have the Armscor paper, I was
5 employed by CCI Systems.

COMMISSIONER MUSI: Thank you.

ADV SIBEKO: Just as a follow up, to the question that Commissioner Musi just put to you, with regard to the paper, you gave at RINA, RMY 2, if you look at the front page, which is page 3 of the bundle, you say that
10 it was quite clear, who the author is and which company the author is representing. It appears there C Square I Square Systems, I just need clarity into when you say, at the time you presented this paper, you are an employee of UEC Projects. Yet, on the paper here, C Square I Square Systems appears as the company, ostensibly that would have
15 sent you. Can you just clarify it?

DR YOUNG: Yes. That is correct. Do you want me, do you want me to clarify it now, because we, we actually go into far more detail, in the relevant part of the witness statement. So, we will pick, I will not only be pre-empting it, I do not have the, the luxury of being able to hyperlink
20 the relevant documents. I can jump to it, sure. But, if you certainly want to vent, to address it now, I can do so.

ADV SIBEKO: No. Just, just keep a note, at the back of your mind that we are going to need to clarify this, this issue, when we get to the relevant part of your evidence that deals with this.

25 DR YOUNG: It does not need to be in the back of my mind. It is right

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there, in the front of my statement.

ADV SIBEKO: As from paragraphs 29 and further, in your statement, you deal there, with your relevant working experience. This is a matter that we have traversed. Is there anything else, you need to add, over
5 and above, what you have already testified to?

DR YOUNG: No. What I, what I specifically addressed, was my, my working experience, up until UEC Projects. You might have asked me to include my working experience at CCII Systems, which I have not done. I am not sure, if it will be absolutely necessary. If you want me to
10 address there, I can.

ADV SIBEKO: I, I would like for you to do that, if you do not mind.

DR YOUNG: Okay. I did start touching on it. I resigned from UEC projects, the last day of January 1991. I did my first day of work at CCII Systems, which the first working day was Monday, the 3rd of February
15 and that particular day, I actually spent out at Hotech, near Grabouw. There, I worked out their concite, mainly until the end of June that year. From then, I have always been a managing director of the company, because I was more or less a one man band for my first couple of months. But, then, once I started working eight hours a day, at, at
20 Grabouw, I started setting up the company and doing all the necessary things, hiring employees, getting offices, getting infrastructure, et cetera, which I basically did, for the first while. I then started doing real work. As I said, I did not even market myself to, to Armscor, setting up, in respect of, of the combat suite work. But, they approached us in
25 September 1992 and from 1993, we started working on project Diodon.

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Project Diodon, the same year, we started working on the very initial stages of Project Sitron, which I call Round One, I think, it has been referred to as Phase One as well. Basically, we have been working, as a company and me, in particular, as a manager, as a managing director
5 as an engineer, as project manager, all of those things that make a small company work, from February 1992, until this very day.

ADV SIBEKO: You have earlier, in your evidence, dealt with the cancellation of Navy projects that you have worked on, while at UEC Projects. This appears there, from paragraph 38. Do you see that?

10 DR YOUNG: Yes. I can see that.

ADV SIBEKO: Is there anything else you need to add there?

DR YOUNG: Possibly, as you, as you call a taste or a pre-cursor it is interesting that although the submarine project was cancelled in 1989 and the frigate project was cancelled in 1991, is that very similar
15 projects were, as we call resurrected or started or restarted, as the submarine projects and the patrol Corvette project, which are the subject of the Strategic Defence Packages, in these proceedings today.

ADV SIBEKO: If you turn the page and you get to paragraph 40 on page 8, you deal there with your reasons for leaving UEC Projects. Can
20 we just ...[intervene]

DR YOUNG: Yes. I can see that, starting at paragraph 40.

ADV SIBEKO: Yes. If you just give a summary of what is set out, under that heading, relating to the reasons for leaving UEC Projects?

DR YOUNG: Okay. I, normally, I would not address this, just as a
25 matter of course in a witness statement. It would look to many

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observers as just, as a by the by. But, there is a very good reason, for me, to address it, which I do, in two manners. One, at this early stage, because it is, chronologically, it is obviously early. But, secondly, both in pre-cursors to these proceedings, I am talking about the public hearings

5 in 1991, it is not entirely right, 2001 and these proceedings, there are, evidence have been given about, and if I may be frank at this point, very negative reasons, of why I left UEC Projects. Okay. I want to rebut that evidence, which I will do, more fully, at the relevant part. I certainly can address that now from, again, from memory. But, maybe, just as a

10 taster, as you would say, is that, as I have also just said, I think twice, I have worked on big projects at, at UEC Projects. It was Project Winners on the submarine and Project Falcon and Frizzle for the, for the frigate and they were very, very large projects. You know, projects that take 10 years, of a person's career to, to complete and they were both

15 cancelled. I did not work for a very short time at UEC for seven years. But, in my seven years, that took up a lot of my energy and, and interest and whatever. But, both of them were cancelled and you know, it was the complete, it was the beginning of a new political dispensation. Even though, that the reason why the pre-cursors, because there had been a

20 war going on. They call it the border war, with the South African border war. That war had come to an end in 1989. There was no way that I could have known, in 1989 to 1991, 1992 period that these projects were ever going to be resurrected in any form. So, I did not have much hope, of carrying on my career, especially, you know, in Cape Town,

25 down there. So, when, when the two projects were actually cancelled,

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there was nothing in the horizon for me. I decided to leave UEC, and specifically, at the very end, which I do ventilate, is I was asked to and I applied for the position of branch manager, which was actually addressed in December 1991. The very same month, while I was
5 overseas at RINA, the issue of who is going to become branch manager was being addressed. I never, I never made it. I am not going to go into details, unless I get asked upon, but I was not given the, and I was actually not only promoted to department manager, but I was actually moved departments, I think, much against my will. Then, I decided I do
10 not need this and I decided to resign, to do my sabbatical and as I have talked about, finish off my Masters degree. So, that, in a nutshell, for these, the purposes of this point of the proceedings, that is why I left UEC Projects.

ADV SIBEKO: What, what you say, at paragraph 54 of your statement
15 ...[intervene]

DR YOUNG: Sorry, can you just make it, I need time to catch up from paragraph 42 to 54.

ADV SIBEKO: While you look for paragraph 54 of your statement, Dr Young, can I ask you to, to speak into the mike. I see people at the
20 back there, they seem to be struggling to, to hear you. Perhaps, what you could try and do, is, is to turn the mike to, at least, come towards the ...[intervene]

DR YOUNG: They do not ...[intervene]

ADV SIBEKO: Yes ...[intervene]

25 DR YOUNG: First, I have been asked not to do that and I can hear

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myself reverberating. They asked me specifically to put it to the side when ...[intervene]

ADV SIBEKO: Alright. I, I suppose that helps. Have you found paragraph 54 of your statement?

5 DR YOUNG: Yes. I have found it, yes.

ADV SIBEKO: And, and there, you described, why you deal with these issues, relating to the resignation from UEC, et cetera. Where you say there is a much more purposeful and you say that the, they were purposeful and indeed, in your view, sinister reasons for what I believe, 10 may have been said about you, in the evidence, by previous witnesses. But, what, what is the basis of the assertion that you make in paragraph 54?

DR YOUNG: Yes. Well, there are a couple of things. There is, the, the first is that, well, I left UEC Projects in a bad light. Maybe it is 15 relevant, at this point, to say is that, that the management of UEC had found out that I had registered C Square I Square, more in 1990, as we know and that I was working, basically, for two companies at the same time. I will, very, very vehemently deny that, that that is one of the bases. So, it is basically, it is a negative inference of why I left UEC. 20 You will see, from the evidence, that it is impossible, on their own version that that can be true. Okay. But also, in these proceedings itself is that there is something that I took. There is, in fact, there is an allegation that I stole, or I took the intellectual property of, okay, let us, let us put in a name of a particular individual, Brown, it is actually Law- 25 Brown, Doug Law-Brown, who was a manager at UEC Projects, in those

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days. I, I basically want to, to address that, in particular. But, it is basically, that I took something from the company, from, with whom I, for whom I had worked before.

ADV SIBEKO: And, and while we are here, dealing with that, you, you

5 mention, in paragraph 57 of your statement that there is a letter that was written to you, which deals with your separation from UEC. Now, that document, Chair and Commissioner Musi, is described in the statement, at the bottom of paragraph 57, as DT 1-0006. In the course of arranging the documents, we have marked it RMY 4, for purposes of identification and it appears as from page 65. Dr Young, could you comment on that?

DR YOUNG: There are probably, there are probably two relevant

parts to this. The one is that, my leaving of UEC, first of all, in the context, was not in a negative light, whatsoever. The second thing is that I had no restraintive trade against me, whatsoever. Whatever I had done before, at UEC, I was free to, to continue with, at, at my new company, even though, at that stage, when I resigned I had, I had no knowledge or intention of it. But, in this particular letter, put, you know, is, is proof of that. Of course, it is also an introduction, of what happened, since, actually later, because, of course, this document is only 1992. Whereas, in the project of Project Sitron, we, we started working on this in 1993 and the contract was signed in 1999. So, we are talking about that period, after this letter. But, they do, at least, introduce the whole issue of protection of copy rights and patents. I have been accused point blank, of stealing somebody's intellectual property. Okay. Although it is in the name of a person, that person is a

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manager at UEC. I could not have, not possibly have stolen his intellectual property, because he does not have any. So, if, the inference has to be, that I took UEC Project's intellectual property. Okay. But, what, as I say, first of all, I was unaware, and certainly, by
5 the stage I left, of any, there being any applicable relevant copy rights or patents, at that stage. I am also, at the same time, unaware of any intellectual property being developed, over the next seven years, say, at UEC Projects and which are the subject of what I might have stolen, over the next seven years. Okay. Also, what I have said is that, if there
10 had been an owner of intellectual property, it surely would have been UEC Projects, or a successor in title, either African Teltech Defence Systems (PTY) LTD, or African Defence Systems (PTY) LTD. Neither of them, have ever contacted me, just to, normally, one does not accuse somebody of doing that, outright. He normally gets some, there has
15 never been the slightest bit of inference, or direct allegations of that having happened. So, it, it is, the possibility of it happened, the probability of it happening is almost impossible.

ADV SIBEKO: And at paragraph 57, you actually quote from that letter. Can I ask you to read that into the record, please?

20 DR YOUNG: Yes. I quote Trevor Moore's letter of 27th of March 1992 as follows:

*"I can confirm that, in terms of your contract of employed at UEC that restraintive trade does not exist. This implies that you are free to pursue any business activity of your choice and that, from a restraintive trade
25 point of view, UEC has no recourse against you. However, UEC would*

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still enjoy the protection of any copy rights or patents, which may apply.”

ADV SIBEKO: Now, reading that letter, in its entirety, is one able to infer if, there could have been any animosity between you and UEC Projects, at the time that you left?

5 DR YOUNG: To be honest, I have not read this letter, in great detail, for several years. But, I do not think so, certainly, from the letter. In fact, now that I was looking at it, maybe I could just quote the last two, two sentences:

*“My own opinion is that employees, who have left UEC, to start their
10 own business, have, in the main, continued to enjoy a positive
relationship with the company. This has been achieved, through a spirit
of co-operation in the business arena, rather than trying to compete, one
with the other. I have no doubt that you would fall into this category and
that your relationship with UEC Projects, would, I emphasize, continue
15 to be a positive one. With best wishes for your future venture.”*

Well, I say that, in the main, the vast, vast main, maybe, right up until the time that ADS Air Supply was then acquired by the French in John Crishcamp's and Thomson CSF in 1998 and 1999, we had a very excellent spirit of co-operation. I was friendly. I prefer to use the word,
20 collegial, the legal term collegial, with all the people I worked there, the company, company in particular. We certainly, there was co-operation and there nothing but a spirit of co-operation in the business arena. So, there was absolutely no animosity whatsoever. If I may say there was nothing, no animosity right until the, until the end days.

25 ADV SIBEKO: Alright. You, you have already dealt with what appears

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in paragraph 58 of your statement. That you are not aware of any, of the existence of any copy rights and patents, that were held by UEC Projects, as the projects that you worked on, while you were employed by them, were, or belonged or whatever copy right that may have
5 existed, belonged to Armscor [indistinct].

DR YOUNG: That is right. I, as I said, that was my view, because I was unaware that anything other than what I was involved, was paid for, other than by Armscor. So, whatever was developed would have been owned by Armscor. In fact, everything that was developed, the software,
10 et cetera was put onto a thing, called a, a project asset register. Certainly, in fact, there were two asset registers, what was owned by Armscor and if there was a company assets, project assets, there was that as well. I do not have the company documentation, for you to see. But, I certainly cannot remember there being any assets, whatsoever,
15 that were registered on the company asset register.

ADV SIBEKO: Now, we, we do know now that you, you started working for C Square I Square from about February 1992 and that, after you started working for this company, your company, you were approached by Armscor, to, to be involved in, as you have described,
20 Projects Diodon and the first phase of Project Sitron. This you deal with, in paragraph 60 of your statement. Can you just expand on that?

DR YOUNG: That is correct. As I said, my, the approach came to me from Anton Jordaan, on behalf of the senior manager, effectively, the divisional manager of Armscor's command control division, Pierre
25 Logan. He phoned me, to ask me, would I be interested. I said, yes, of

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course. But, I did, I did actually say that, because I am always aware of sensitivities, sensitivities that we have just been discussing, regarding spirits of co-operation and intellectual property and restraints of trade. I said, you know, well then, I actually said to him, you know, this work I

5 did, while employed at UEC. He said, we know that, but we actually wanted to start this work at the beginning of this financial year, which I think, end of February. He said, but we have actually been talking to the people in, in UEC Cape Town branch. I will mention a particular name, if I have asked you, but I will not, because it is not a name, okay, but we

10 have given him six months, or whatever it was, to come back with a proposal. Technology development project were always preceded by formal, a formal project description, basically a proposal and they have not been able to come back to us. We, we are pretty desperate, because there is a, there are big projects coming, that need this. Not

15 only, have they been given their chance, but we also realised that the fact, that they have not been able to come back is that the knowledge is in your head. It is not, it is not general knowledge that has now been dispersed or instilled, wider than that. It is not as though you can be exclusive. You can be working very, very closely with UEC. They are

20 going to be involved with the system level and you are going to be involved in a very small part, the data base, which is at microscopic. So, it was not as though I was taking anything away. I was actually adding in a very small microscopic way. So, I had, I ventilated the issue. Anton Jordaan responded adequately to make me feel professionally

25 comfortable. Remember, I am a registered professional, well, I was not

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then. But, I, but, sorry, sorry, I was not from, I said I was a registered professional from 1986. It would be unethical to do something, from a professional point of view. So, I asked the question. I got an adequate response and of course, I was very pleased, both technically, 5 academically and the business was to carry on.

ADV SIBEKO: Now, in order to facilitate your involvement in, in the projects, in respect of which, you have been approached in September 1992, certain documents were generated. These are documents you refer to at the end of paragraph 60. They are DT 1 0007, DT 1 0009 and 10 DT 1 0010. Chair and Commissioner Musi, colleagues, we have marked these as RMY 5, RMY 6 and RMY 7, respectively. RMY 5, appears in the bundle, at page 66 and on, RMY 6 is at page 72 and further and RMY 7 starts at page 83. Now, Chair, I see it is 11 o'clock and my attention has been brought to the fact that it is 11. Will this be a 15 convenient time to take the tea adjournment?

CHAIRPERSON: Thank you. Maybe let us adjourn for, for 20 minutes. Thank you.

ADV SIBEKO: Thank you.

(COMMISSION ADJOURNS)

20 (COMMISSION RESUMES)

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

DR YOUNG: I am.

RICHARD MICHAEL MOBERLEY YOUNG: (s.u.o.)

ADV SIBEKO: May the record show, Chair, that the witness has 25 confirmed that he is under oath.

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CHAIRPERSON: Thank you.

DR YOUNG: I am under oath.

ADV SIBEKO: Dr Young, when we adjourned, we were about to deal with the documents, that I referred to, in the bundle as RMY 5, 6 and 7, 5 that appear at the bottom of paragraph 60. Have you got the first document, RMY 5, in front of you?

DR YOUNG: Yes. I have. Is that the one, is that is the delivery note?

ADV SIBEKO: Yes. That is the delivery note. Can you just explain what this document is?

10 DR YOUNG: Yes. Possibly, I should have actually proceeded with the other two. But, anyway, this is a delivery note, from UEC Projects to our company. The important parts are, first of all, that it is a delivery note of equipment. Secondly, that it is at the request of a senior manager, at Armscor, Mr Pierre Meiring. Thirdly, that, as it refers to in, 15 the four, pre-cursor, to the FDD Project and basically, what it is, is a transfer of project assets and they actually refer to here, the project asset register, which I have referred to, just before the, the tea break. Here, what this is, on a UEC letterhead, the transfer of project assets, from their company, to our company. So, anyway, this is one item of 20 proof. Of course, this is a, a document, of which we were the receipt. Because I do not have, you know, the documents from the UEC side. But, anyway, this is documentary proof that I never did anything untoward. There is no way that Armscor or UEC would have transferred project assets from that company to me, if I was trying to steal, steal 25 their stuff, whether it is intellectual stuff or physical stuff. So, that is the

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first document. Now, I go onto the second document. Alright. The second document, the second document is a, actually also a pre-cursor to the third document and it is also on an Armscor letter, stationary, right at the beginning, over here. It is a memorandum and it is a request for
5 proposal for the information management system.

ADV SIBEKO: Chair, the document the witness is referring to, is RMY 6 that is at page 72.

CHAIRPERSON: Thank you. Dr Young, you may proceed.

DR YOUNG: Alright. It is dated the 15th of March 1993. It is an
10 Armscor memorandum, on Armscor stationary, called a request for proposal for information management system. To my memory, this maybe, in documentary form, is the initial, the initial phases of our involvement in the information management system. Project Diodon, this relates specific to Project Diodon, which is a pre-cursor, technology
15 wise for Project Sitron. But, this shows that formally, they initiated our involvement. It is not as though I marketed myself to them and begged, you know, them to give, take away the work from, from UEC and give it to me. So, here they, they requested a, a proposal from us. The next document is our response thereto, which is an offer for the technology
20 establishment of next generation Naval combat suite. As far as I know, that that is Project Diodon, in response to that, that RFP. In particular, I wanted to highlight, what is on page 6 of 10 and that is paragraph 6.7, called the customer furnished items. Although this is my version in my document, this is a list of equipment that was held, on the FDB Project
25 and eventually, formed the basis of the, the first document, the, the

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transfer of, of assets, at the request of Armscor, from UEC to us. That is again, the documentary proof, that, first of all, it was, nothing is initiated by me and everything was bona fide, on board, including me getting things, in this case, tangible things, from somebody else, to me.

5 ADV SIBEKO: Let us, let us just break this down, step by step. Let us, let us, first of all, go to RMI, RMY 6, page 72.

DR YOUNG: So that is the ...[intervene]

ADV SIBEKO: That is the first page of the memorandum from, which, which is a request for proposal, which, are you there?

10 DR YOUNG: Yes. It is an 11 page document. I am open at the first page thereof.

ADV SIBEKO: That is, that is correct. You, you will see, you will see the date on the document is 15/04/93. Do you see that?

DR YOUNG: That is correct, yes.

15 ADV SIBEKO: Alright. Then, the, in the, in the box there, in the heading section is request for proposal for information management system. There are, there is a numbering that follows there. At number two, a delivery address is mentioned there. Can you confirm that?

DR YOUNG: Ja. That is the name of our company CCII Systems.

20 ADV SIBEKO: Now, under, at number five, it says, only possible tender. What does that mean?

DR YOUNG: Ja. In those days, they did not, the Armscor did not necessarily have to go out to competitive multi source tender. If they, for good reason consider that there was only one practical contender,
25 they went out to, what they call a closed tender, administered and they

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did it properly. But, we were considered to be the only possible contender and deliverer of this particular item of, of supply.

ADV SIBEKO: Then you, you made reference to the document RMY 7, that appears and it is on page 83. You say this is the offer that was
5 submitted by C Square I Square. Is that correct?

DR YOUNG: As far as I can remember. I have not done all the cross referencing for a long time. But, it is, as far as I can remember, this was our response. This was our offer, in response to a request for comparison.

10 ADV SIBEKO: Alright. Now, you referred to, at page 6 of 10, which is page 88 in the bundle of documents. You say this is a list of what, what did you say that is a list of?

DR YOUNG: We are talking about the offer ...[intervene]

ADV SIBEKO: Yes ...[intervene]

15 DR YOUNG: To what paragraph 6.7 ...[intervene]

ADV SIBEKO: That is correct ...[intervene]

DR YOUNG: Entitled customer furnished equipment, commonly known now as CFE. Here is a list of some 15 or so items, of customer furnished equipment. So, the customer would be Armscor, furnishes to
20 us the supply, their equipment, belonging to them. Okay. Not necessarily held by them, held by UEC Projects, at this stage and in order for us, to continue the project, we required them, to furnish this equipment.

ADV SIBEKO: Still, would, would I be correct to then assume that,
25 once the offer or the response was made, to the offer that was

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submitted to C Square I Square, you began, as C Square I Square to work on this project.

DR YOUNG: That is correct, yes.

ADV SIBEKO: Now, having dealt with the transfer of the project to C Square I Square and the assets, relating to that project, it is correct that C Square I Square then began to run a business, for what it was set up for.

DR YOUNG: That is correct, yes.

ADV SIBEKO: You, you deal, as from paragraph 61 of your statement, with the beginnings of C Square I Square Systems. You have touched on this earlier in your evidence. Is there anything you would like to highlight there?

DR YOUNG: Okay. Not of particular importance at this stage, but it might come up later, is there have been expressions made. I cannot remember, whether in these particular proceedings, but certainly in the Public Protector hearings is that, you know, part of my, you know, the bad faith in leaving UEC is that I studied for my Masters degree there and that they paid for all my fees and I finished my Masters, working, when I worked in their employ. Nothing huge goes around it, but it also goes to the incorrectness of so much of the, the related and the relevant evidence. The, unfortunately, when, when you get to a situation like this, one has to provide not just facts, but absolute facts. I am correct in those facts. I did not start working on my Masters degree, when I worked UEC. I started doing my courses in, at, when I worked at Plessing. I paid for myself and then I, and then they paid me back. At

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UEC Projects, I paid for the first couple of courses and then, I got offered the assisted study scheme and they paid me back. I did not even start my dissertation, when I worked at UEC Projects. I started, when was working at C Square I Square and I submitted my dissertation
5 in September 1992. I got awarded my, my degree in, in December 1992. So, although it is small potatoes at this stage, it is a pre-cursor for much larger potatoes.

ADV SIBEKO: And this you point out at paragraph 70 of your statement, where you have said:

10 *“While all this might seem ancillary to the interests of the APC and the Commission, I need to rebut the allegations that have been made in this regard by the likes of Pierre Moynot of the ADS at the JIT public hearings as well as those made by Rear Admiral Jonny Kamerman during the APC’s proceedings.”*

15 Do you see that?

DR YOUNG: I see that, yes.

ADV SIBEKO: Now, who, who is Pierre Moynot, perhaps it is a fair question?

DR YOUNG: Pierre Moynot, I think, in that, before he retired or
20 resigned, as the chief executive officer of was African Altech Defence Systems and later became African Defence Systems, ADS, as, but before that, he was, what they call the double delegate of Thomson CSF. He was the head of Thomson CSF South Africa and then, he transferred, once Thomson CSF South Africa bought ADS.

25 ADV SIBEKO: Alright. And you, you will deal with the allegations that

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have been made, later in your ...[intervene]

DR YOUNG: Yes. I will try to do so, yes.

ADV SIBEKO: As from paragraph 72, you deal with work experience at C Square I Square. Is there anything you would like to highlight, specifically in those paragraphs?

DR YOUNG: Well, despite managing the company, that the relevance to these particular proceedings is that the IMS, which is basically, the, the substance of, you know, my detention it should rather, in the combat suites, at C Square I Square I was involved, both at a technical level, effectively, as the, the chief assistance engineer. Okay. I had a project manager and a project leader. But, they worked under my instructions. Certainly, for the first part, I managed the projects. So, I have a personal deep, technical and managerial understanding of the IMS. This is not just hearsay. This is something I know from within myself.

ADV SIBEKO: Good. Could you please remind us what the IMS is?

DR YOUNG: The IMS is a, an acronym for a, as system, called the information management system. It, it changed slightly, from the early days of Project Frizzle and Project Falcon, slightly, because there, when I conceptualised half the, it was a complete information management system in the true meaning of those words. Under Project Sitron, it got cut down a lot and it is, it, probably, the term information management system is a little, it is probably slightly [indistinct], for what it is. But, what it is, in the current context is a local area network, which is a, a data network. The term data bus gets used, very often in this context and these proceedings. But, it is basically a mechanism, a piece of

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wire, or fibre optic cable that connects lost of bits and pieces of equipment, whether it is in your office, or on a ship, together and in a particular ship and combat suite, it allows all these pieces of equipment to, to collaborate in real time and allows for example, a target to be
5 detected and engage. It, the whole frigate scenario to be managed and guns to actually point at the target and, and hopefully engage the target. So, that is basically what information management system is. It is more of a, so it is more of a local area network, than a complete information management system.

10 ADV SIBEKO: Alright. Thank you. You deal in paragraph 76, as a, you deal there, with your qualification as an expert. I think, you have already alluded to this. Is that correct?

DR YOUNG: Yes. I have just put, yes, I have just put is in, Sir, if I do get asked, a technical, or a knowledge based question, on, for an
15 opinion is that, I take it upon myself to pre-qualify myself as an expert.

ADV SIBEKO: As from paragraph 77 of your statement, you deal with the background to the SDP's. Further down, you, you deal with the acquisition process that was followed and what, what is, were responsible, in considering the proposals from the various suppliers. Is
20 there anything you need to highlight, particularly, regarding the background, considering that much of what is set out here, has been ventilated, before the Commission.

DR YOUNG: No. If I may ask, up until what paragraph are you referring?

25 ADV SIBEKO: Perhaps, let us go right up to the end of paragraph 81

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and we will deal with the PCB pertinently.

DR YOUNG: So, we start at page, paragraph 82?

ADV SIBEKO: Yes. But, before that, is there anything else, you would like to add, on what you have set out, in this [indistinct].

5 DR YOUNG: No. I do not think it is necessary. Certainly, at this, I will, I would ventilate it more, if, if required, later on.

ADV SIBEKO: Yes.

CHAIRPERSON: Now, you have [indistinct] Advocate Sibeko. I am more interested, to hear the witness, about what he said in, in
10 paragraph 80.

ADV SIBEKO: Dr Young, let us then, draw our attention to paragraph 80. Do you have it in front of you?

DR YOUNG: Paragraph 80?

ADV SIBEKO: Yes. In paragraph 80 ...[intervene]

15 DR YOUNG: Yes. I have that.

ADV SIBEKO: Yes. Perhaps to take it one step back. You say in paragraph 79, that the procurement, relating to the SDP's in that process, Armscor should have acted as the State's statutory procurement agency, in terms of the Armscor Act. But, at 80, you then
20 say that it would appear that in reality, a, a hybrid process was used in the process of acquisition and you referred to the Ministerial directive and the 147. Can you just expand on that?

DR YOUNG: Yes. This, this is basically, first of all, it derives from my, my understanding, of having been supplier to the SADF and SANDF
25 for a while, as well as obviously, through Armscor. It has always been

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my understanding that Armscor is the statutory authority, responsible for acquisition and take all of the requisite, which is marked technical decisions and leadership. Of course, in the SDP's and an important document, which comes along and it has been addressed by a number of witnesses and I did not realise it, until not that long ago, but it was actually, the very first document, released to me, under, [indistinct] tranche in my PIE application to the DOD. I have to be honest, in, when that happened, it did not mean much to me. But, certainly, it is what I have said. It seemed to be a Ministerial directive, drafted by, I think, someone called, Lieutenant General Du Preez, the Chief of Staff, Finance, or anyway, somebody responsible for acquisitions in the, in the SANDF and that it seemed to actually change, at least, in my view a number of, what I at least understood to be, clear acquisition procedures and principals, which derive from things like [indistinct], the Ministry of Defence acquisition methodology and documents that derive out of there. I am working from memory at the moment. Things like VD1000. As I have said, so it, you have got lots of the SDP's. There seem to be to, whether you call them hybrid or parallel processes. I think, important, an important part of here, maybe the SDP's is a starting point, the whole word or the, s comes from strategic. These were counted as strategic acquisitions. I think, MD147, it seems to give the, the Cabinet, the government a whole lot more, that much larger role, in this acquisition process, possibly on the grounds that this was a strategic acquisition. In, in my view, I would say that this is in contravention to, or contrary to the letter in spirit of, of the relevant

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statutory foundations for, for Armscor. Where we see, instead of the, I think an important aspect is, from my point of view, is we see in certain [indistinct] decisions, on contracting being made by the, the board of Armscor. Strangely, decisions get routed through Armscor to the
5 Cabinet. The Cabinet make decisions and then it comes down, back again to Armscor, to kind of ratify decisions, which have already been made. That is why I referred to this process as hybrid. Certainly, in my, let us say, lay person's review of the proceedings, the transcripts, evidence of the SDP and the Commission thus far, it certainly, this
10 whole Ministerial directives, MD147, it certainly seems to be controversial. But, if I, if I had to make a, it is like a summarised nutshell finding, it would seem that this directive, was not properly, legally founded.

CHAIRPERSON: I am sorry, Advocate Sibeko, up to now, I do not
15 quite understand what the witness is saying. Because here, in paragraph, in this paragraph 80 he is saying:

*"I understand that although MD147 was drafted and to all intents and purposes used in finality, it was not actually approved for use in the SDP's. In my view this is a questionable acquisition practice and goes a
20 good way to colour the acquisition process, which I will be describing in my evidence."*

Just ask him to, there were no details about this, about his understanding, where this understanding came from.

ADV SIBEKO: Dr Young, do you understand the, the question posed
25 by the Chairman? As you have pointed out, in your statement and in

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your earlier evidence, your understanding of the procurement process, within the defence family, was that Armscor was the tender board, for purposes of running acquisitions. Is that correct?

DR YOUNG: That is correct, yes.

5 ADV SIBEKO: Now, when the SDP's or the SDP process was brought in motion, in your understanding the, the acquisition process, as set out, in the Armscor Act and the documents, policy documents, such as the VD1000 and KD1000, according to your understanding, were they faulty?

10 DR YOUNG: That is my understanding, yes.

ADV SIBEKO: Alright. But, over and above that, there was an, a Ministerial directive MDC, MD147 that was also applied in the acquisition of these strategic defence packages. Is that correct?

DR YOUNG: As I have said, there seemed to be parallel processes.
15 There seemed to be some of the traditional processes involved and there also seemed to be other parallel processes, which were also used, not so that they were authorised for use. So, you have got, like, what I describe as a hybrid process. They are probably and I am not familiar with every single detail, but for, for example, the fact that the Cabinet,
20 making final decisions, regarding to the selection of, it refers to a [indistinct] main suppliers, rather than Armscor. That would be and that is only one example, of where, the hybrid process seemed to overrule the traditional, which I believe to be the standard, the standard process.

ADV SIBEKO: And this, you have illustrated in paragraph 81, of your
25 statement, where you say the, the procurement process, used by

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Armcor and the DOD for the SDP's required that before they were submitted to the Cabinet, for final approval, they should first be dealt with, by various law bodies, within the Department.

DR YOUNG: Yes. Absolutely, there is a whole hierarchal technical and administrative decision making process, which I have, I have now described. Whether or not, these directly come out of MD147, I am not actually sure, because I am not an expert on that. But, I do believe that MD147 possibly gave, you know, prescribed, prescribed, if that is the right word, the environment, in which some of these bodies existed, that acted beyond their, their authority level. I think, I will, we will talk about specifically, we are coming to the JPT and we will, and SOFCOM and then the project control board. But, but, certainly, things like SOFCOM made decisions, in that it was not a, it was not a decision making body. We have got the project control board, making decisions and yet, it was not a decision making body. We have got ...[intervene]

CHAIRPERSON: I am sorry, Dr Young, can you go back to the question? The question is simple. It is not complicated. In this paragraph 80, you say:

"I understand that although MD147 was drafted and to all intents and purposes used in finality, it was not actually approved for use in these SDP's."

Can you just explain to, to me what you mean by that and what is the source of that information that you have?

DR YOUNG: The source of that information is experts, who have familiarised themselves with MD147 and had advised me that it actually

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was not, in fact, if we be slightly more specific is that the Chief of Acquisitions acknowledged, in his evidence that MD147 was not finally approved for use, in, in SDP's.

CHAIRPERSON: Who are those experts that advised you and then
5 secondly, when and where did the Chief of Acquisitions make that concession?

DR YOUNG: I believe, he made that concession in, in his evidence, before this Commission, which I think, was given in November and I, I have only been told this, that that is recorded in a, the minutes of one of
10 the important bodies, which, it could be the AAC, I am not sure. But, and that is why I simply say, this is my understanding.

CHAIRPERSON: Okay. Thank you. Although, I do not remember the Chief of Acquisitions making such concession before this Commission. But, then, I am sure, other people with deal with you, we will deal that
15 issue at a later stage.

DR YOUNG: If I may ...[intervene]

CHAIRPERSON: We can proceed Advocate Sibeko.

DR YOUNG: May I just respond to that? I think, it is important to remember that my evidence leaders, includes Advocate Sello, who was
20 also the, the evidence leader, who led the, Chippy Shaik's evidence. So, of course, we have done a lot of preparation together and a lot of, when I am putting my witness statements, comes out of correction of perceptions that I may have had in my mind, or what I even had, in previous versions of my draft witness statement. So, believe me, if I
25 may use the terminology, I am not sucking these things out of my

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thumb.

CHAIRPERSON: Thank you. Advocate Sibeko, we can proceed. I am, just some other people will deal with this question, at a later stage.

ADV SIBEKO: Thank you. You, you will, in the form of [indistinct] Dr
5 Young, check the transcript and, and identify the passages of some of the witness or the witness bundles, that deal with the, the issue, relating to MD147. Is that correct?

DR YOUNG: Is that a question or an instruction?

ADV SIBEKO: Would you be in a position to deal with it, in a form of
10 some time?

DR YOUNG: I could certainly attempt to do so. I cannot guarantee that I can do it this week, or, or [indistinct] until I finish my, giving my evidence here. But, I will certainly, if it is an instruction, I certainly will attend to it, when I can.

15 ADV SIBEKO: Alright. You have alluded to the PCB, which is dealt with, in paragraph 82 of your statement, being a body, chaired by DOD's Chief of Acquisition and you deal with the members thereof. Is there anything you would like to add, about the PCB as a body that was involved in the procurement process, with regard to the SDP's?

20 DR YOUNG: Other than maybe, just a repeat or an emphasis of my view, which I think is supported by documentary evidence that the PCB was not a, officially a decision making body, although it did actually officially make very fundamental decisions.

ADV SIBEKO: Can you, at this stage, or independently recollect what
25 you refer to as fundamental decisions that were made by the PCB, while

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it was not a decision making body?

DR YOUNG: Well the one, the stark one that I am reminded of now, was a special PC Board meeting, called for, by the Chief Executive of Armscor, Lu Swann, I think, I can put on the record, of the, I think, it is
5 the May 1999, PCB meeting, asking for a special PCB meeting that was held on the 8th of June 1999. It is called a special PCB, decision making PCB. Following that, the Chief Executive of Armscor, issued a letter to the, and to my, specifically the Corvette project now, issued a letter, dated the, I think, it is the 29th of June 1999, so that is two, two and a
10 half odd weeks, after the decision making PCB. He refers to decisions of the acquisition authorities, following the decision making PCB and then, lists the decisions, both regarding the Corvette platform, as well as my particular area of interest, the Corvette combat suite. So, starkly on the, on the written record, there are official documentations, referring to
15 a decision making of the PCB and, and the relevant decisions made.

ADV SIBEKO: And just to jog your memory, can I refer you to a document, described in your statement. It is PCB 1999/06/08 and this appears at the bottom of paragraph 88. It is now referred to as RMY 9. It appears as from page 120.

20 DR YOUNG: Alright. I have opened that document and I am referring to it. Now, I do not have to use my own memory. I have this document and I can refer to the document, rather than my memory.

CHAIRPERSON: Advocate Sibeko, we are lost.

ADV SIBEKO: Oh. I, I beg your pardon, Chair and Commissioner
25 Musi. The document appears at page 120 of file one. It is RMY 9. Dr

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Young, could you just identify that document, for the purposes of the record? I do not think the heading though.

DR YOUNG: It has got a very nice long heading. It is called minutes of a decision making Project Control Board meeting, PCB meeting held
5 in the Zipper conference room at Armscor at 08, with the date time 07:30 bravo time, during 1999, to formulise decisions, with respect to Project Sitron, Wills and Maulstick.

ADV SIBEKO: Now, could you just briefly remind us, what the, each of these projects dealt with?

10 DR YOUNG: Project Sitron is the control Corvette project, under the SDP's, Project Wills is the conventional submarine project, under the SDP's and Project Maulstick is the maritime helicopter, under the SDP's.

ADV SIBEKO: Now, under the heading present, there are people, who are listed there, as having attended that meeting. Do you see that?

15 DR YOUNG: That is correct. There is quite about 20 odd people there.

ADV SIBEKO: *Ja*. But, the chairperson is recorded there as Mr S Gerrit. Do you know who that is?

DR YOUNG: Yes. That is Shamin, or nickname is Chippy Shaik, who
20 was representing the DAPD, that is the Defence Acquisition Projects Department, I believe, in the position of Chief of Acquisitions and who was responsible at the, at the DOD level for these projects.

ADV SIBEKO: There is also a Mr L Swann there.

DR YOUNG: Yes. Mr Llewellyn Swann, who was the Chief Executive
25 of Armscor at the relevant time.

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ADV SIBEKO: There is also a Captain, SA Navy, GE, JEG Kamerman.

DR YOUNG: Yes. He also represents DAPD. I think, that he had been seconded from the Navy and POP stands for project officer, Project Sitron. So, he was the project officer in the Corvette project.

5 ADV SIBEKO: Further down that list, there is a Mr F Nortjè.

DR YOUNG: Yes. Mr F Nortjè is Fritz Nortjè, who, at that time, worked for Armscor. He is PMP Sitron, which stands for programme manager, Project Sitron.

ADV SIBEKO: And then there is a, then there is a Mr R Vermeulen.

10 DR YOUNG: Yes. Mr Rob Vermeulen was, how can I recall, he does work for Armscor and he was the programme manager for the submarine project, Project Wills.

ADV SIBEKO: Alright. If you turn the page, 313, you will see introduction.

15 DR YOUNG: Yes. I can see that.

ADV SIBEKO: And this document goes on to refer to some of the discussions, relating to the various projects. You will see, under discussion, item two, project Sitron, there is:

20 *“POP S presented a summary of supplier decisions, made by the PCB, where alternatives were evaluated or considered.”*

And it then continues to say:

“The following decisions were rightly filed, by the board.”

In your understanding, who constitutes this board?

25 DR YOUNG: If I may ask, just to clarify, who constituted the Project Control Board?

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ADV SIBEKO: Yes. Yes. Are you aware of who constitutes that board, or who the members of that board are?

DR YOUNG: Yes. My understanding is that the members of the Project Control Board are the Chief of Acquisitions, the Chief Executive Officer of Armscor and the Chief of the Navy, as well as the, Mr Tomo, Tomo, who was the General Manager of Acquisition, the Chief of, the Chief of Naval Acquisition, who was at this stage, Admiral Van Der Schyff. But, I see, from previous PCB meetings, his predecessor is also a member of the Project Control Board and he is designated here, as Chief Director, Maritime Warfare as Rear Admiral Howe. So, he was a member and he stayed a member. The, as far as I know, the other member is Senior Manager Maritime, who is directly responsible, from Armscor for the Naval component of the SDP's. I think that, those are formal members of the PCB. The executive of the PCB is the first three that I mentioned and the other members, the other participants at this meeting, are actually at the PCB, by invitation. They are not necessarily permanent or full time members. That is my understanding.

ADV SIBEKO: Now perhaps, to assist you, can I ask you to turn to RMY 11. In your statement, it is described as PCB 1998/09/29 at the bottom, or just below paragraph 89. Do you see this document?

DR YOUNG: Yes. Now, we are going back in time, to September 1998.

ADV SIBEKO: Can I ask you to describe that document, for the record?

DR YOUNG: Yes. It has, it is entitled minutes of a special meeting, to

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discuss the way ahead with Project Sitron and Wills, held at the Department of Acquisition Project Division on the 29th, two, nine, September 1998 with the time being 18:00 bravo time.

ADV SIBEKO: You will see that the, just below the heading, it refers to
5 two appendices. Can you just read for the record, what appendix A is?

DR YOUNG: Appendix A is the draft constitution of the Project Control Board.

ADV SIBEKO: It also recalls the people, who were present there and the list is much shorter than the PCB minute that you referred to earlier
10 in your evidence. Do you see that?

DR YOUNG: Yes. I think, all those, for at least with that point in time, corresponds precisely with what I actually said. The only thing is that Admiral Howe has now been promoted to Chief Director Maritime Warfare. So, he is being replaced by Admiral Van Der Schyff, as DNA
15 and the person who was officially a member of the, of the PCB is Senior Staff Officer [indistinct] that is Admiral Van Der Schyff. He was Captain and became Admiral. So, and of course, by this stage, it is Esterhuysen, who was general manager, in Nautical Maritime, has now been replaced by Mr Tomo, as General Manager Acquisition. So, I think, whilst it was
20 as close as that, it will have to be correct.

ADV SIBEKO: Now, what was the aim of that meeting, as recorded at paragraph 2 of that document?

DR YOUNG: Okay. In my own view, the, the official processes involved something called the AACB that is the Armaments Acquisition
25 Control Board. But, that was setup, when projects were more or less,

being run individually, by acquisition authorities. This was the SDP's, involved multiple projects and two of them were Navy projects and three of them were Air Force projects, with the maritime helicopter, being a little bit of each. They actually set up an Air Force control board. They
5 called it an Air Force project control board and the, what I call the Naval project control board. So, the PCB, it took all effects, took over the role of the AACB. I cannot even remember, seeing any real Ministerial proceedings of the AACB. So, my view is the Project Control Board was set up and it reported to a higher level than the AACB, either the AASB,
10 which is the Armaments Acquisition Steering Board. Okay. Anyway, that is the sort of background and because it was slightly different in name, like, it is a Project Control Board, it needed some kind of introduction and formulisation. At this meeting, way back when in September 1998, was the, the founding semi-formal beginnings of the
15 Project Control Board.

ADV SIBEKO: Now, let, later in that document, at page 223, is, that will be appendix A, is the draft constitution. Do you have appendix A before you?

DR YOUNG: Do you know what ...[intervene]

20 ADV SIBEKO: It is page 141 of ...[intervene]

DR YOUNG: I have only got a ...[intervene]

ADV SIBEKO: It is page 141 ...[intervene]

DR YOUNG: Sorry, I have only got a digital version that is not paginated.

25 ADV SIBEKO: You will see that, do you have PCB 1998/09/29 before

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you?

DR YOUNG: Sorry ...[intervene]

ADV SIBEKO: That is RMY 11.

DR YOUNG: RMY 11, was, was there the minutes? Was that the
5 right minutes?

ADV SIBEKO: Yes. That, or what, the document I am referring to, is
an annexure to ...[intervene]

DR YOUNG: Yes. Yes. Now ...[intervene]

ADV SIBEKO: That one ...[intervene]

10 DR YOUNG: Correct. I have got that whole document. But, it is 21
pages long. I just have to get to the end of the minutes and beginning of
the annexure A, which, I have got first principals, so that is annexure B.
I just have to go back a couple of pages [indistinct] there. I now have
something that starts with appendix A, something like, it starts with
15 appendix A and it is constitution of the Project Control Board.

ADV SIBEKO: Do you see that, it is, it is entitled, right at the top there,
as draft?

DR YOUNG: That is correct, yes.

ADV SIBEKO: Now, under name, it says on paragraph 1:

20 *"The forum will be known as the Project Control Board."*

Are you aware if, before October 1998, September of 1998 there was,
within the procurement process a, a forum, known as the Project Control
Board in the SANDF, or Department of Defence?

DR YOUNG: Strictly speaking, in terms of that specific annexure, I
25 believe not. I believe that there was a thing, called the AACB and the

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PCB was set up, more or less, at the same level.

ADV SIBEKO: Just above, at paragraph 2, it says purpose, it says, it is recorded here that:

*“The purpose of the PCB is to enable the Department of Defence and
5 Armscor to direct the joint acquisition utilities of cardinal projects, for the
SA Navy.”*

So, this is set up, specifically for the SA Navy. Is that correct?

DR YOUNG: This specific Naval Project Control Board, absolutely. But, there was an equivalent one, for the, the other projects, those three
10 projects with were, so there was an Air Force Project Control Board as well. I do not, I, I see, it constituted, I just know about this one, but there was another one.

ADV SIBEKO: Yes. Now, then it deals with functions, under paragraph 3 and one of the functions recorded on the, at paragraph 3E
15 is that this body is to make decisions, obtain higher level authorisations on some matters, outside of the responsibility for the project team.

DR YOUNG: I, I can read that, yes.

ADV SIBEKO: And this, this is what you have alluded to, earlier on that, the PCB, although it was not supposed to be a decision making
20 body. It did make decisions.

DR YOUNG: It was not, that is not the only thing that I am alluding to. I am also alluding to other ...[intervene]

ADV SIBEKO: Yes ...[intervene]

DR YOUNG: To other evidence. There is other evidence, from senior
25 managers of Armscor that the PCB was not a decision making body.

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This one, this one, if, if this draft constitution had been adopted, formally adopted, then maybe, in terms of paragraph E, or point E, maybe it would have had the authority to make decisions, because that is what it says. But, I am taking my view, or that, first of all, the constitution was never adopted. This was a new body. It was not an existing body in an existing, approved structure. So, it has been re-constituted formally, which was never done. That is the first part. The second part is that it said that, at least I can remember two other senior Armscor officials also stating, whether it is in documentary evidence that the PCB was not a decision making body.

ADV SIBEKO: Under composition, it has, it sets out who the permanent member of the PCB are. Do you see that?

DR YOUNG: May I ask, which point are we talking about now?

ADV SIBEKO: There is a heading, composition and there is a paragraph 4, below that it says:

“The permanent members of the PCB are.”

Do you see that?

DR YOUNG: Yes. And I think, in terms of title, this is correct. I think, that I am almost exactly right, of what I have testified before.

ADV SIBEKO: Now, turning back then, to the document, PCB 1998/06/08. This is RMY 9, which appears as from 120.

DR YOUNG: Is this the minutes of the decision making ...[intervene]

ADV SIBEKO: Decision making ...[intervene]

DR YOUNG: Yes. Yes. I have got that in front of me.

ADV SIBEKO: Now, is, is there any particular decision in that

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document that you would like to highlight, as an example of a decision, taken by the PCB, when it, according to your evidence, did not have any decision making powers?

DR YOUNG: Maybe, the interaction said that there were two
5 categories of decision, as the top of my pdf, page 6 says, at least. The pages are not numbered. But, there were alternatives that were evaluated and in fact, I can see, from the previous Project Control Board minutes that there were three, there was one, on the 24th of April. There was one on the 27th, I think, of May.

10 ADV SIBEKO: Okay. If I could interrupt you there, what, what page do you say you are referring to, in that document? Do you know [indistinct].

DR YOUNG: I am referring, I am referring to page 6.

ADV SIBEKO: Is, is that a document with a column?

DR YOUNG: Yes. It is a table and it is entitled Project Sitron,
15 summary of supply decisions by PCB, where the alternatives were evaluated or considered.

ADV SIBEKO: Chair that document appears in the bundle at page 125. Yes, Dr Young?

DR YOUNG: Okay. So, there were two categories of decisions, one
20 where alternatives were evaluated. As I have said, and this, this meeting we know, actually refers to decisions called ready take, although it was a decision making PCB. Of course, there was a certainty of ratifications. But, there were, there were decisions made, at the previous, I have just mentioned, the 24th of April, the 27th of May, is
25 what I can remember and there were, certainly, decisions made,

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involving, I think, the surface to surface missile and probably the sonar system and the surveillance radar decision. I am specifically remembering the ones, involving the, the Corvette combat suite. But, you have asked me, which of the particular decisions I would like to highlight. Okay. This is a, now that I have talked about the two categories, I, the one that I would like to highlight, is under ship platform, just one, because things changed. This third, the third item is called gear boxes. There were two contenders, Marg, the Swiss company and Rake, I think, it is a German company and the selective supply was Marg. Okay. This is, so there was a decision made, you will see, from the documentary record that decision was overturned, on, at least interesting circumstances, Interesting circumstances, involving global content, strategic issues and the Defence Industrial Participation. The reason why I say interesting, because once I have noticed that the IMS the, its considerations for selection and without there to be a selection, will, they made on the same principals, except, in an opposite way.

ADV SIBEKO: And this you deal with in full, later in your evidence.

DR YOUNG: Unless I deal with it in full at all, it all depends how long we have got.

ADV SIBEKO: Alright. We will try and accommodate you, to deal with that.

DR YOUNG: Okay. But, we will then come to the next part, category of the, the Corvette and halfway, we will say three quarters down the page, we come to the combat suite. I have just mentioned that there

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were things, that I was right. At the previous meetings, the star, which is the surveillance and target acquisition radar, which is the surveillance radar and the contender that was selected was the MMR from Thomson CSF for France. The IFF was also Thomson CSF for France. I mentioned
5 that sonar and that was also from Thomson locally, a Thomson company, although, based in the UK. I will come to it a bit more that, later in the witness statement and quite a lot more, involving the surface to surface missile. So, these were decisions, actually made. Then, there is a whole lot more pages, of, I see it is presentations, given to the
10 Project Control Board and that, we come to the end of that particular set of minutes and it is annexures.

ADV SIBEKO: Now, the, the next document, you deal with in, in, under that category is DT 1 0489. It is annexure RMY 10, at page 131.

DR YOUNG: That is correct. I talked about this before, being a letter
15 dated, the 29th of June 1999, written by the Chief Executive Officer of Armscor and as a result of this meeting and it is entitled Project Control Board decisions, regarding the Project Sitron technical base line. It is written to, what, at that stage, it was [indistinct] was designated to the preferred supplier, being the German Frigate Consortium, the GFC. It
20 specifically says, although it does not mention the dates, on the 8th of June, it says at a meeting recently held, regarding the selection made, to products and their suppliers. For the [indistinct] programme the following is, were selected, see attached list. I am, in my, I have not found any other meetings. I am pretty sure they are referring to the, the
25 Project Control Meeting of the 8th of June.

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ADV SIBEKO: Now, if you go a couple of pages later, at page 133 and I see that CCII is recorded there, as the supplier for the IPMS simulator. Can you just talk to us briefly about that?

DR YOUNG: Yes. There are two tables.

5 ADV SIBEKO: Ja.

DR YOUNG: One, for each category of, the first one is the, the second one is the platform, the first one is the Corvette combat suite. As you correctly say, the last item in the table, relevant to the platform is the IPMS simulator and C Square I Square is, in this particular instance
10 identified as C212. But, there are no other companies called that. So, I am pretty sure it means the same company. So, here we were formally selected, by the Project Control Board and the designated preferred supplier was formally instructed by the chief of, the Executive Officer of Armscor, Lu Swann, who is effectively acting for the tender board of
15 Armscor, in terms of selections. But, if I may say, now we are talking about something with the positive inference, a positive [indistinct]. As interesting, if I may say, is the previous table, the combat suite, on the previous page. Just give everybody a chance to page back, if necessary.

20 ADV SIBEKO: It is page 132.

DR YOUNG: Actually, I do not have, I do not even those files. I have got everything in soft hyperlink form here. So, I could find names and things, but not page numbers. But, most, it is a point that I want to make out, even at this stage, the, all elements of the combat suite,
25 decisions had been made, except for one. There is actually very, very

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good reason for that. If we look down to the one, two, three, four, five, sixth element is called the combat management system and the designated supplier is African Ready Systems and Thomson. So, this is the [indistinct] had been inspected, by this stage. What is missing from here is the information management system. If we look at the documentary records there were still a whole of things that went on, in the next few months, including, in the business of the Project Control Board, at least, until August 1999 and even further on. But, an important, slightly technical point is that the thing that replaced the IMS, which we will come to in greater detail, from the French company, called Detexis, the Detex style search of data base, was actually an integral part of the combat management system. That is a very real, real reason why it is not identified, as a selection at this stage, because the CMS already includes the Detexis data base.

15 ADV SIBEKO: And this, you say, you will deal with, in greater detail, later in your evidence?

DR YOUNG: Yes. Indeed, the combat suite and the IMS in that particular instance, is kind of a nub of my evidence.

20 ADV SIBEKO: Yes. Alright. We, we have dealt with RMY 11, which deals with constitution of PCB and who its members are and what its functions were. As from paragraph 92, you, you deal with the strategic defence [indistinct] as we have now come to know them, right up to end of paragraph 100. Is there anything that you need to highlight or emphasize in those paragraphs?

25 DR YOUNG: Well, I am just going to 95 and 96, where, sorry, I am

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just going to 95 and 96, which does not, does not involve Corvette at all. But, it is a pre-cursor from certain statements I am going to make, quite later in my evidence.

ADV SIBEKO: And then you deal with Corvettes as from paragraph
5 101.

DR YOUNG: That is correct, yes.

ADV SIBEKO: Anything you would like to highlight, Sir?

DR YOUNG: No. I think we have been, we have addressed everything, at least, up until paragraph 104.

10 ADV SIBEKO: Yes. You have dealt with what Project Diodon dealt with. I see, you, you mention, at paragraph 107 something about the IMS. Would you like to elaborate on that?

DR YOUNG: Yes. Not much, but there is an important item of information coming up, very soon, where this just covers the contextual
15 introduction to it. But, our first contracts, with the technology available, under Project Diodon and some of the technology that was developed, was specifically for future Naval vessels including, especially able surface vessels. Some of the contracts that we received from early days were funded and were under Project Sitron. The generic aspects
20 were handled under Project Diodon that is all technical things. There were things, like, system engineering, the development of, of programme specifics, like, the specifications, like plans that were specific to a project, being Project Sitron. Some of those were funded out of Project Sitron funds.

25 ADV SIBEKO: Now, at the paragraph 108, you, you mention

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something, relating to the IMS receiving its funding from the Project SUVECS, while the Project Sitron was put on hold, during the defence review. What is the significance of this?

DR YOUNG: Well, there were a couple of areas of significance, one
5 important one for me personally is that, is that Project SUVECS really
just existed as a, as a holding point, in terms of the surface combat
suite, in this particular period of 1995 to 1997. But, with the, in all, in all
respects, there was a direct continuation. I think, administratively, is that
Project Sitron could not be funded, specifically while the project was on
10 hold. I do not think the rules of defence and Armscor acquisition allow a
specific project to be funded in any way, except maybe at the Naval
level and project studies which we have to preserve together, at the
contract level. But, in that hiatus period, we carried on, what we were
doing, as though there was no yesterday and no tomorrow. There was
15 no, you know, even though it was termed a technology retention project,
certainly from the understanding that we were given and the
understanding that people, like me, assumed is that Project Sitron was,
would, would definitely, either it can be, it can get complete canned, it
would, or it would just come back in its normal form, once the defence
20 review was over. So, if anything gets said, is that our understanding of
why we carried on the tempo of work and our own self-funding of, of the
work that we were doing, just because there was, there was a
technology [indistinct] I would like to counter that. As far as we were
concerned is, the same work was happening, but just under a different
25 name, Project Zurich's rather than Project Sitron.

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ADV SIBEKO: Alright. And then you deal with, you then deal with Project Sitron, going as far back as 1993. Can you just take us through that, as from 109, of your statement?

DR YOUNG: Yes. I do not think there is anything controversial in that short paragraph. But, as far as I concerned, it happened in 1993. It is when I first became aware of it, although it came out of a Naval staff requirement, I think, from 1980, but that also formed the basis of Project Foreshore and Project Falcon. But, that, the, the documents still remain valid for Project Sitron and it is a capital programme, which means it is say, a major programme in size and that it gets managed in a specific way. Certainly, when you are talking about all those acquisition processes of control boards and steering boards and armaments acquisition councils and councils for defence that is the way they coveted the programmes get managed.

ADV SIBEKO: You, you then refer, in this document, in, in paragraph 111, 111, dealing with Project Sitron, to the letter extensively prepared by P Meiring for Senior Manager of Computer Division. What is the significance of that letter? It appears at RMY 12. That is from page 157. Dr Young, that is DT 1 0012 ...[intervene]

DR YOUNG: Yes. I have got, yes, I have that open in front of me.

ADV SIBEKO: Now, what is the significance of that letter, which seems, seems to deal with data bus technology for Project Diodon?

DR YOUNG: Okay. There are actually a number of aspects of particular significance, at least, to these proceedings. I have paraphrased some of the most important parts, but if I may turn to the

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document itself, in my computer here. Of course, it is a document from, written by Armscor and it is written by, as far as I am aware, as the responsible party, who was Pierre Meiring and he was writing it, on behalf of a senior manager. Effectively that means the divisional
5 manager on, what those days was called the computer division. It later became the command control division. But, he terms himself APM and that is an Armscor programme manager, Project Diodon. So, in my view, that he was an authorised party to, to write this letter. If we go back to the beginning of the letter and fairly important for me, is that it is
10 sufficiently addressed to the Chief of the Navy, with his Naval address in those, in those days. Although it is addressed to the then, at that stage, the Commander, those were early, those were early days, 1993, ja. I knew him as a captain, but I did not know he was a commander in those days. Anyway, that shows how long ago we are going back.
15 Interestingly, after the attention there, we see the CC, the [indistinct] list and what I remember, if we still have got it here, it is quite vast. You know, it is, it might be at page 3. So, it is the third page, into that document. It includes the project officer for Diodon, the technology, and we are talking about technology development project here. I want to
20 specifically say that, in contrast to a technology retention project. A technology retention project is to retain capability, where technology development project is with a specific aim, not just, or of technology and not just capability retention then. That, under that the Naval executive officer, normally there will be an engineer, attached to the project and
25 that was Lieutenant Commander Jean Pienaar, in those days, from the

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Naval engineering [indistinct]. It is addressed to a whole bunch of other Armscor, what they call ASDM's, Armscor Specialist Development Managers. Each one of these technology areas, under the column, position, has an Armscor manager responsible for it. As you can see, 5 on, halfway down that page, it does not just refer to project Diodon, it refers to Project Sitron. So, it, my interpretation of this was that this was not just aimed at the people in the technology project, technology development, but for a specific target for the technology, being the Corvette project, Project Sitron. Okay. Indeed, round one, that was 10 that, again, addressed to Commander of Armament, Lieutenant Jean Pienaar. There were people in that project in Armscor, being Pierre Meiring. I have mentioned Anton Jordaan before and a number of other people, who were all more or less the same and, yes, that is all Armscor people. Alright. So, that is basically, who it is addressed to. So, it was 15 a, to me, it was a fairly important thing, at that stage, very formal and resulting out of work done on Diodon. I do not want to, let us say, how can I say, belabour these proceedings with the technicalities. But, it is a little bit technical. But, if we go to, maybe the introductory paragraph, before one, they are talking about the following in depth review. That 20 was a review done, basically, by Armscor, but, and the Navy. They refer to the inherent aspect of the project review. That is Lieutenant Commander, it is not, it was actually J Pienaar, not an S Pienaar, Jacques Pienaar and the project engineer for both Project Diodon and Project Sitron. They talk about the final decision, regarding technology, 25 to be addressed by Diodon as being made and set out below. Okay.

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So, the data bus for Project Sitron will be based on a dual redundant fibre optic cable technology. They talk about the, the reasons, why it is important and the direct inferences and why the final decision made, clarified to reduce technical risks. In fact, the board wanted to reduce risk of integration. With reference to other projects where, where similar projects was the data communications project, not a data bus, but voice communications and over cables, rather than radios. A very important and fundamental one is under two, where they talk about the standard FDDI, which is an acronym. It is an actually international and American acronym for Fibre Distributive Data Interface. That is the name of the technology that the IMS used. It was, it was instructed to use. It is the basis of the international standard and the American US Navy standard, called Safenet. Safenet stands for survivable, adaptable fibre embedded network and it stipulates the use or at least Safenet 2, stipulates the use, FDDI. We talk about performance advantages over any other option. Then, they start talking about very technical things, like, these are communications protocol software. I am not going to go into details of IMA 960. Anyway, they had made a fundamental decision at this early, early stage, based on in depth review, of information. I cannot quite remember, going back as far as this, but there were trade offs that is formal, trade offs that is in FDDI versus Ethernet and that versus that. So, this was not thumb sucking. This was even a, there might be an intellectual side, an intellectual activity and not based on, on review results from hardware experiments on a note. It was not, it was done in a formulised way. Anyway this, the upshot of all of this is to,

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one, from a personal perspective in 1993, we embarked, our company embarked on a development of the IMS, partly at the State expense, funded by Armscor, tax payer's money, using Navy allocated funds. But, party to a non-insubstantial preamble and you will see documentary
5 evidence of that, of our own financial contributions. Now, the upshot of that, at, or let me just finish off that point. So, Project Sitron should have used the, the decisions made, in the Project Diodon. Here is a direct instruction from the decision making authority. That is why I went into MD147 slightly. Armscor called the shots, not the Cabinet calling
10 the shots or whatever. Armscor is making a shot, calling a shot. Okay. Then, of course, the, the instruction to use FDDI, it does not stay just here. It is a fundamental requirement, a stipulated requirement of base line documents for Project Sitron, the Corvette projects. Documents will come to, called the element costing and description. The, the combat
15 suite user requirement statement, the platform interface requirement statement, whatever, all of these things refer to either FDDI or Safenet. Of course, all, at the end of the day, why it is important, all of that was overturned to something completely different. And, my, my evidence would go around about, in my, what in my view was the irregularity of
20 those decisions, countermanding previous decisions that never explicitly say, okay, we have considered the instruction of the 13th of August 1993 and actually, things have now changed. Technology has moved on, money issues have moved on, all of that, we are now overturning. None of this ever gets overturned. So, other than, from a technical
25 prospective, from a business prospective, contractual expectation, it is

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one of the legs. Maybe a small, little short leg of something that I address in particulars of claim and that is what they call legitimate expectation. We think that we had a legitimate expectation, maybe just a procedural one, that if there was going to be a change of decision, it should be properly done. Being frank, and lest there was a proper decision to overturn our nomination of the technology, in our company to do that, I think I will come to the term later, but a substantial legitimate expectation. If, unless there was good reason not to, for maintaining our position and at some stage the selection, of being selected, as the company to supply the information management system for the Corvettes.

ADV SIBEKO: So, in short, what is set out, in RMY 12, that letter, you were dealing with, is the identification of the technology that would be used, under Project Diodon and Project Sitron, with regard to the Corvettes. Would that be a correct summation of this letter?

DR YOUNG: With, you might have used the word identification. It certainly is identification. Sorry, it certainly is identification of the technology and the decisions. I think the most, the most important thing, it is a formulation of the decisions that were made, by a combination of Armcor, with the involvement and the concurrence of the technical people in the Navy, who come from the Naval Engineering Bureau and were also project engineers on the two relevant projects, Diodon and Project Sitron.

ADV SIBEKO: Okay. Next you deal with the, the programme planner for Project Sitron, which is described in your statement, at paragraph

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112, as DT 1 0062 and in the bundle of documents it is RMY 13, which starts at page 161. Would you like to explain the significance of this programme planner for Project Sitron from the [indistinct]?

DR YOUNG: The, yes, there are a number of aspects of it. Firstly, as
5 one sees, it is a project plan for a, a programme plan for a specific project, being Project Sitron and specifically the, the combat suite part of it. It was issued by the programme manager, who is Pierre Meiring, who actually, eventually became the programme, you know, he remained programme manager for Project Sitron combat suite. This is a formally
10 issued document, going, you know, as far back as 1993 up to 1995 and it is approved. It is signed, concluding, by the technical representative of the Navy being Lieutenant Commander Pienaar, while the project officer Captain Kamerman and approved by Pierre Meiring's superior, Barend Smith, who has testified at these proceedings before and we
15 would have, addressing that particular issue a little bit differently and in more detail later. But, possibly, anyway, I think, basically, what I am, by looking at this document and I am proving is that it was a formal summoned issued document. If I may turn back to my, my witness statement now, if we are now looking at paragraph 113, to above, the
20 purpose of the programme plan, was to established a management base line, the execution of the project. The management base line would, an important base line, base line is something that you establish and then, it becomes formal and then you do not change it, arbitrarily. It only changes, by formal change control, what we can call configuration
25 control. Anyway, at least, at this stage, this was the beginning of Project

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Sitron in 1995. Now, nowhere here, we are talking about, what I call round one of Sitron and it basically got, it did not, Project Sitron was never terminated. It was only put on ice, or it was hiatus, during the defence review from, not long after this date. This is January 1995.

5 Basically, it was put on ice in about, I think, May 1995, until the 13th of [indistinct] and it was put off again, until, again, in 1997. I have not considered this particular aspect for, for a long time, but I cannot remember in my, my side, as I sit here, whether it, formally, there was ever a, either a new programme plan, which superseded this, and, and

10 the relevant content, regarding what I will be coming to in a second. Or being formally changed, if the same document before me changed, to exclude or excise things that had been formally stipulated. So, as, as I say, management base line is weighing the formulisation of what, which project is formally managed and it gets managed, according to

15 something solid. It does not just change, upon the fly. Alright. But, importantly from, or from our next point of view, from my testimony point of view, we talk, it talks about, well, it is, there is a document about the combat suite and it stipulates that the combat suite will be designed around the principals of distributed processing. It talks about system

20 architecture. Also around a, quotations and modern multi loss redundant data bus, infrastructure and [indistinct] elements and it identifies the IMS specifically, as the data bus. This is the particular product or the specific project or, you can, that was in that time, being developed by C Square I Square.

25 ADV SIBEKO: During the course of your giving evidence, if you could

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try and look at me at some point. When I seek to interrupt you and I will press my mike, just to prompt you to take pause for a while, so that I direct your attention to specific pages of the documents, to assist you, in giving your evidence. Because I get the sense that we, we are losing
5 the Commissioners and perhaps our colleagues, who want to follow your evidence. As we are dealing with this project planner, there are certain aspects, in this document that I want to take you to. But, perhaps, this might be a convenient time, to take the lunch adjournment and we can proceed with this document, when we return.

10 CHAIRPERSON: Maybe, let us adjourn until two o'clock. Okay.

ADV SIBEKO: As the ...[intervene]

CHAIRPERSON: Thank you.

(COMMISSION ADJOURNS)

(COMMISSION RESUMES)

15 CHAIRPERSON: Thank you. Do you confirm that you are still under oath. Please say I do?

DR YOUNG: I do. (s.u.o.)[?]

ADV SIBEKO: Dr Young I want you to turn to the program plan for Project Sitron Combat Suite which appears at LMY13 at page 161. You
20 did say what the purpose of the problem plan was is that correct?

DR YOUNG: Yes sir, unfortunately I said a lot more than that.

ADV SIBEKO: Please turn on your microphone when you speak.

DR YOUNG: Yes, I did say what the purpose of the program plan was.

ADV SIBEKO: Can I ask you still on that same document to turn to
25 page 174. At 174 reference is made to each of that project definition.

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4.1 Project content. 4.2 System composition. Could you just briefly explain what is sought to be conveyed on that page?

DR YOUNG: Okay, although it is a program plan which is more of a management thing it is also stipulating and indentifying each component
5 of the project. So here what they have with a table which is headed Combat Suite Element Lists and Acronym Definition Table. If we go down to the 3rd last entry on that table on page 174 which is page 14 of the document, C Information Management System the element being described as the IMS.

10 ADV SIBEKO: So you say that one of the elements of that Combat Suite was the IMS which is the information management system?

DR YOUNG: That is correct, yes.

ADV SIBEKO: If you turn the page of your statement to paragraph 115 you state that:

15 *“On 6 February 1995 was forwarded to (among others) CCII Systems by Amcor under cover of a memorandum signed by Meiring.”*

Do you see that?

DR YOUNG: I can see that yes.

ADV SIBEKO: Can I then ask you to turn to page 219 of file 1. You will
20 see that is RMY14 which in your statement appears as DT10065.

DR YOUNG: I can see that yes.

ADV SIBEKO: Do you confirm that is the memorandum of [indistinct] that is reflected in the statement.

DR YOUNG: Yes, that is correct.

25 ADV SIBEKO: I see that you refer in quotation marks what you say this

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document provides for. You explain that this is correct quotation of this memorandum.

DR YOUNG: I think there was a slight problem here with some inverted commas but certainly the first line and a half that the program plan was
5 to be placed under configuration control. that appears in the first paragraph under, on the reference document itself of the memorandum.

ADV SIBEKO: Right would you also confirm that you on behalf of your company CCII form part of the distribution list which appears at page 221 of that document?

10 DR YOUNG: Yes I am looking at my digital document and I am looking the distribution list which is numbered down to 32. On line 27 there R Jan CCII element is identified as the IMS.

ADV SIBEKO: So the document program plan of Project Sitron Combat Suite that we were talking about earlier in your evidence was distributed
15 to you as well?

DR YOUNG: Yes it was just distributed to our company specifically but also what is just as important it was not distributed to any other IMS supplier so by inference that means that was not any other IMS candidate certainly at that stage.

20 ADV SIBEKO: So would you say that would be the significance of the distribution list in so far as it relates to the IMS?

DR YOUNG: That certainly is significant in that context yes.

ADV SIBEKO: Next we go to your response to the memorandum that was sent to your company project plan. We deal with that at paragraph
25 116 through the annexure that you referred to as DTI0069 it is bundled

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as RMY15 as from page 222. Will you take us through that please.

DR YOUNG: I am looking at my digital version of that. Okay I am looking at the digital version as that. As far as I can see I am writing in response to the covering memorandum dated 15 March 1995. Basically
5 I suppose the important areas is that we acknowledge receipt of the program plan. I suppose by inference not taking issue with any of it and at the same time noting that we are working at excepted level of effort for the project.

ADV SIBEKO: So you mention that at paragraph 117 that subsequent
10 to the response.

COMMISSIONER MUSI: Sorry Mr Sibeko. This response appearing on paragraph 116 in which document does it appear?

ADV SIBEKO: You will see that at paragraph 116. You put the response in quotations or quotation marks firstly, the first paragraph
15 says:

“CII Systems was making significant progress in respect of the development of IMS”

Where does that appear in annexure RMY15?

COMMISSIONER MUSI: Still I do not know. RMY15?

20 ADV SIBEKO: RMY15.

DR YOUNG: Please give me the number and the actual page?

ADV SIBEKO: Page 222.

DR YOUNG: Yes, I have that.

ADV SIBEKO: Then turn to page 223.

25 DR YOUNG: Yes.

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ADV SIBEKO: Could you read what is set out in the second paragraph on page 223?

DR YOUNG: You are referring to the paragraph of 'We are making...'

ADV SIBEKO: Yes.

5 DR YOUNG: Okay.

"We are making significant progress in respect of IMS development and we believe we have an adequate..."

I cannot read this I am afraid. I have to read my. Everybody knows that I have eye problems and it is difficult for me to read small print on
10 paper. I am reading my digital version of that.

*"We are making significant progress in respect of IMS development and we believe that we have an adequate allocated baseline, although Jewels Gulmann has still not visited me to arrange or discuss this 'an occasion' We are also progressing with the detailed design both of
15 software and hardware. Regarding the latter we are making progress with the ship's optical fibre designs (in terms of layout, components and optical power). In terms of software we are making headway with the completion of detailed design using our rational booth methodology."*

Is that the one that you wanted me to read?

20 ADV SIBEKO: No. Commissioner Musi put a question for you in terms of which he wanted to established where the content that is in quotation marks of paragraph 116 came from. I was trying to take you through the latter to see how that compares with what is set out in the letter?

DR YOUNG: Okay. I want to put on record that I cannot hear what
25 Commissioner Musi is saying at all. I have to listen to what you said and

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you took me to the top of that particular page. If I may ask, if you are aware of what particular place I must go to. You need to point out to me because I cannot hear the commissioner.

ADV SIBEKO: Perhaps Commissioner Musi can repose the question
5 and if you understand it then respond to it.

COMMISSIONER MUSI: No you interpreted my question quite well. I know that the quotation as appears in the statement is not exactly as it appears in the document.

ADV SIBEKO: Dr Young the question posed by Commissioner Musi is
10 special with regard to what appears in the first quotation under paragraph 116. It says:

“CII Systems was making significant progress in respect of the development of IMS”

DR YOUNG: Yes, I can see that.

15 ADV SIBEKO: Now in your response to the memorandum sent to your company where does that quotation appear from your letter?

DR YOUNG: I am looking at the top of this particular page. “

“We are making significant progress in respect of IMS development and we believe that we have an adequate baseline.”

20 ADV SIBEKO: How does the sentence that you have just read from the letter compared with what appears in the quotation at paragraph 116 of your statement?

DR YOUNG: I am reading here.

25 *“CII Systems was making significant progress in respect of the development of IMS”*

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ADV SIBEKO: I am saying how does that compare with the sentence that you have read to the Commissioner.

DR YOUNG: Possibly slightly out here because I said that:

"We are making significant progress in respect of IMS development."

5 ADV SIBEKO: Who is we that are referred to in that sentence?

DR YOUNG: That is CCII Systems, our company.

ADV SIBEKO: The next sentence that appears in quotation marks at paragraph 116 reads as follows.

10 *"CCII Systems was confident that it could have all least all critical IMS functionality available by October 1996 with the balance of functionality to be provided in the following three months."*

Now once again can I ask you to refer to the letter and find a passage in there that compares to what is set out in that paragraph in quotation. Perhaps if I can direct your attention to the third paragraph on page 223 it starts with the words "We are confident..."

DR YOUNG: Yes the drafting of this came more than 12 years ago so I do not have everything single correlation between what is here in the document in my... but what I have highlighted here is.

20 *"We are confident that even if contracts are delayed by some weeks we can have at least all critical functionality available by October 1996. The balance of functionality can be provided within the following three to six months."*

ADV SIBEKO: So having read the two statements the one on the letter 223 and the one in your statement on page 22. You say these two statements say something similar?

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DR YOUNG: Yes, the mean more or exactly the same thing.

ADV SIBEKO: Could that have been a paraphrasing of that letter?

CHAIRPERSON: If they are more or less the same why did he put it in the manner in which he did in the statement. It would appear that it was
5 quoted verbatim from a particular document. It appear that, that does not [indistinct] can we hear some explanation?

ADV SIBEKO: Yes I am trying to get that. If you understand the question by the Chairperson he asked you to give an explanation as to why the statement put in quotation marks at paragraph 116 are marked
10 the same as what is contained in the letter that was a response to the number [indistinct].?

DR YOUNG: Yes, of course I am thinking about that. I have not applied my mind to that before but now that I am probably what should have happened if I had to opportunity to cross-check every single thing in my
15 witness statement every single referred too I would have picked that up.

I am almost 100% sure that this is a direct a 100% complete paraphrasing but actually of another document. I am pretty sure that now that I come to think of it, is it stuff done by my legal team and this is a basically a (how can one say) a condensation of what is in the letter in
20 another document which is being used for this witness statement. Somehow in the whole preparation for the witness statement... Just remember this thing has gone backwards and forward not only between us but also with Advocate Skinner and Sibia which came back to me in November. A lot of things were wrong.

25 I had to rectify a lot of stuff. This court be what we call an artefact of

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that process. They could have introduced the quotation marks when it should have just been basically a summary of mine. Anyway I would say that there are various possible reasons why there is not exact correlation word by word. I will say that basically what it is meant to be and I think it does. It is an adequate summary of what is in that letter although possibly the quotation marks should not appear as they are.

ADV SIBEKO: The quotation marks?

DR YOUNG: Yes the quotation marks should not be where they are now. So what appears at 116 would be a paraphrasing of what is contained in the letter.

ADV SIBEKO: That is correct.

DR YOUNG: If I may say, I do not think that there is any substantive difference between what I have put here well I have to put responsibility of that and what is in the letter. I do not think there is any fundamental diversion thereon.

ADV SIBEKO: The quotations marks clearly derives from what is intended, so they were inadvertently put here or do not have an explanation for that?

DR YOUNG: No, I have given an explanation. It could be a direct paraphrasing out of for example. Documents that were prepared in much earlier days which was actually intended to be a summary and whether I did it or Advocate Sibia did it is now converted into a quotation. I do not know. There are various explanations. I could have done it or she could have done that.

ADV SIBEKO: You cannot take it further than this?

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DR YOUNG: I certainly cannot take it much further now, cold light of day I certainly could take it further if I had a couple of hours to do the cross checking.

ADV SIBEKO: All right.

5 DR YOUNG: If I may say so. I want to put it on record. As I have stated before, I only finished this witness statement on Monday 24:00 (midnight) and I put on the record that I have not had a chance to check it to cross-reference it to the document. I have put that on the record. There was a huge problem when the Commission itself insisted in
10 preparing a witness statement itself and I only got back a word processed document in November last year at the end of the year.

I have personally not had one single opportunity of proofreading this thing on paper. So if there are, in fact I think I also said that there could be small errors and this is one. I think this is one. I do not think it is
15 fundamental but that is a reality of the ground. I have stated many times before that I would not be ready. My witness statement and my evidence will not be ready. I actually seriously suggested that we start on the 19th ...[intervenes].

CHAIRPERSON: Let us get on with the leading of the evidence. I do
20 not think that issue is necessary. Can we continue leading the evidence.

DR YOUNG: I do not want to get combative[?] with you but I am being challenged on certain things providing explanations of discrepancies and whether or not I do, I need to make a statement in ...[intervenes].

25 CHAIRPERSON: Can we now proceed?

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DR YOUNG: Yes Chairman I can do so.

ADV SIBEKO: Can I then ask you to turn [intervenues].

COMMISSIONER MUSI: Just one point of clarification. On paragraph 115 in the statement.

5 *“On or about 6 February 1995 the Program Plan was forwarded to amongst others CCII Systems.”*

Did I understand the witness to say that this was not sent to other contenders. If I can get clarity on that?

ADV SIBEKO: Do you understand the question put to you by
10 Commissioner Musi?

DR YOUNG: Yes, I heard that and I think I understand that. I will basically reiterate it if I can find the relevant document. which is open in front of me.

ADV SIBEKO: It is DTI0065 RMY14.

15 DR YOUNG: Yes, I think we are specifically referring to the distribution list?

ADV SIBEKO: Yes.

DR YOUNG: As I said this is a distribution list of all the relevant parties including the contracting parties and line 27 shows my name, the
20 companies name and the element name and what is said is that this also shows that at this stage it was not sent to any other contenders for the IMS. I was not saying that it was not sent to anybody or any other subcontracting parties. There was no other competitive contender for the IMS at this particular stage.

25 COMMISSIONER MUSI: Thank you that is all.

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ADV SIBEKO: Paragraph 117 of your statement Dr Young you mentioned that to the knowledge of [indistinct] that is after you had responded to that memorandum that was sent to you with the Program Plan. You say at 117:

5 *“To the knowledge of Armscor the DoD and the South African Navy, CCII Systems continued thereafter to expand money and effort on the development of IMS in the reasonable expectation that with the IMS met the technical and functional requirement specified by the South African Navy that the company would be awarded the contract for supplying the*
10 *IMS corvettes to be acquired by the Navy.”*

What was the basis of this reasonable expectation that you are referring too here?

DR YOUNG: Well yes, we invested ourselves. Not only do we have contracts from Armscor but it was well known that all the contenders,
15 well the total amount of money sufficient to the Sub Systems to full, provision was very limited. So companies were investing their own time and money as well. I came to that in more specific detail towards the end of my witness statement where there is documentary evidence of that.

20 That is one basis for this reasonable expectation. Also is that if the IMS had been indicted as been allocated to a contractor by name, company name, my name and there were no other contenders and one met the technical requirements within the reasonable time scales of the project. Also one fully conformed to all the technical and other
25 specifications in other documents that there would not be a (off course)

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the price was reasonable there would not be another contender especially at a very late stage.

What I have alluded to so far and will come to it in more detail is that there was no other contender ever identified and even less so was there
5 anybody who came in that met in any way close or possible to the stipulated technical requirements.

ADV SIBEKO: Then you mentioned that although some work had been done in project Sitron and this is the first phase we have been talking about. This was then not approved by Cabinet and the Defence Review
10 then intervened in the interim.

DR YOUNG: That is correct you described the situation correctly.

ADV SIBEKO: What happened to the technical development on this program that your company had been involved in. Did you stop or what was the situation?

15 DR YOUNG: No, as I said in my evidence before lunch. To all intense purposes the development carried on at full steam under the [indistinct] this project, Project Sitron got put on hold and in respect of the technical development efforts there was no discernable difference to us in terms of what was required. Certainly it might have been described as a
20 technology retention project but there was no difference for us in the way we managed the project in terms of the formalities of it. Risk management, risk reports and regular review of pricing for the purposes of deployment on a ship and not just the technology retention to peak performance to all baseline management. Everything went on
25 absolutely as normal as a normal Capital Development Project.

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What I will say is that we, there were very specific Project Sitron at a management level we were really involved with that at the IMS level things might have been different in that regard. Our IMS level it was just like a continuance from the 1995 bracket to the when Sitron got reconstituted in 1997. There was no discernable change for us.

ADV SIBEKO: As he talk about the absence of a discernable change notwithstanding the Defence Review with regard to Project Sitron. You make reference to risks as from paragraph 119 of your statement on page 24. There you refer to price and risk audits were conducted on CCII Systems IMS by the South African Navy, Amcor and ADS in April 1997. Then again in May 1998. Would you just expand on this a little?

DR YOUNG: Okay. The first point of this particular item in my witness statement is as an introductory to the later bigger theme of risk. It was on the so-called notion for want of a better word, of risk that our IMS was deselected and replaced with something else because of risk.

At the same time I can say that in this period 1997 and 1998 when Project Surex was alive and was purely a project retention technology, retention project. Later I will address on the evidence of Fritz Nortjè where he is saying that he invested in people et cetera. If you are investing in people and keep the capability in terms of people alive. It seems a little in congress as one doing such a formalised process of identifying risks. Not only in terms of the normal three monthly cycle of progress reports and progress meetings. In terms of once a year annual risk audits.

If one is only to note technology retention why is it necessary to

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addressing prices when they are so worried about prices changing or becoming too expensive. Why would one not be worried about that for technology retention program. It was all to do with the program to which this technology development, technology retention was intended. That was the Capital Program called Project Sitron.

ADV SIBEKO: You mentioned that these audits that were conducted were documented and set in spreadsheets. If I refer you attention to your document DT10200. This is RMY16. Which appears from page 225 and later we will deal with RMY17 for purposes of this question. Would this be the spreadsheet that you are referring to in the statement of the risk audits that mattered?

DR YOUNG: No this particular document is not the spreadsheet itself. I have the document in front of me. Basically it is an introductory to the actual results of the risk audit. That is the formal request actually from Lieutenant Commander Ian Egan Fowler who was by then the project engineer.

You will see something of possible significance. Now just above the two sub [indistinct] now the project is called Project S. It is not Project Sitron or Project Surex. That was one of the way that this thing carried on in terms of the ambiguity between the Surex and the Sitron. Anyway it is still a Project S document. If I may say this is more related to project Sitron we do combat audit on the technology retention program.

It is basically setting out the project team's requirements. Although I say that there were risk audits from 1997 and 1998. You will see this one if from 1998 and I think the one from 1997 was more or less exactly

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the same and identified again is our company in the segment in which we were operating the integration segment, the system. The element INS and the company is organisation is CCII Systems.

There is set out the format in which they wanted our responses.

5 There is the sub system level. Also important as far as risk is concerned item 24 sets out the requirement for you own (I suppose) assessment of the risks if any inherent in it. A little bit later I hopefully do paraphrase correctly this time. Our response is in terms of risks and it is certainly in terms of prices. Prices were supplied and those prices
10 would become relatively important in the greater scheme of things of what we eventually offered and how our prices were escalated.

It is finally in terms of distribution lists our origination (section 3, sub master 3) our company when asked are the only recipients as far as IMS are concerned. There are not any other contenders. So that is what

15 I want to say in respect of this document as an introduction to the next.

ADV SIBEKO: Now this distribution list up here at 228 of your RMY16.

DR YOUNG: Okay.

ADV SIBEKO: If one looks at page ...[intervenes].

COMMISSIONER MUSI: What page is it?

20 ADV SIBEKO: 228. The company is reflected next to number 3, is that correct?

DR YOUNG: Yes CCII, is reflected on the first page and then the distribution. The acronym of the company CCRI is reflected on the first page against the IMS. Then under 3 on the distribution list we are
25 referred to as C²I² with myself and three of my colleagues being on the

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sole distribution list.

ADV SIBEKO: Now you also deal with a document DT10201 it is RMY17 at page 230. This is a letter to the project officer. It is date 1998-04-28. Could you just briefly tell us about this letter?

5 DR YOUNG: I just need to close down a few things before my machine possibly hangs up. We are talking about DTI201?

ADV SIBEKO: Yes.

DR YOUNG: Okay this is a letter in response to the project officer of Project S, I suppose. It is our response to the previous request to
10 conduct an audit. Off course this is specifically regarding the IMS and an incinerate part of it which we called IMS [indistinct] Tester that we handled it separately. It is entitled IMS Bust Tested Cost and Scheduled Audit 1998. That is my identification. Is there anything further that you want to me to address. sorry. Is there anything further that you want me
15 to address to this specific document.

ADV SIBEKO: No, the point of it was to set out and demonstrate that once these audit schedules that you have been distributed you would then have responded to the audits and informed the project officer of what was needed for purpose of the audit, is that correct?

20 DR YOUNG: That is correct. As one can see it is a pretty detailed response. I think with the letter and it annexure it looks like 20 pages to me. Certainly there are detailed explanation of prices and price increases which as I said before would not normally be relevant to a technology retention program. In fact very interesting and on, my page
25 3 so I presume that is document the letter page 3 as well.

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We provide an estimate of our 1999 audit results and our costs and then we also provide the costs in 1998, May why that is [indistinct] when we were asked for quotations in 1999 they are exactly the same.

ADV SIBEKO: This appears at page 232 of the papers. You can
5 proceed with the response?

DR YOUNG: Okay. I will just repeat that as quickly as I can. It is fairly significant in the May 1997, in April 1997 we did a cost and risk audit where we recorded the price in those financial conditions as R29.5 million.

10 The next year in May 1998 which we will address in a little bit further detail coming up we provide a price of R38 million. We provide reasons for the increase and various changes of baseline et cetera. We ventilate all of this in rather excruciating detail for a technology retention program.

15 ADV SIBEKO: Do you say that in paragraph 120 that after the completion of the May 98 audit Armscor and ABS prepared a consolidated results summary. Just for you to explain that through the DTI0202 document which appears as RMY18, page 250?

DR YOUNG: Yes, I can see that. I can possibly start by saying it was
20 clear to us, we were participants that each system or sub system as we referred to it then would provide their own costs in this audits. That would then be gathered up into our higher level of cost and risk audit being undertaken by the project team. I do not think that I had ever seen being provided with the complete, at sub levels we were at level 3.

25 The combat suite is level 4. I do not think that I have ever seen a

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complete level 4 cost and risk audit forms. What I have at the document which your refereed to at 202 there is a spreadsheet which is all very very small. Even smaller if they copies yours on portrait and not landscape. At the very top under the word confidential there is Project
5 Sitron Combat Suite Definition Audit May 1990.

I see this was a document provided to me and you can see that from the tipex reductions of the black spots. Anyway I have taken this as one of the level 4 results from that cost and risk audit. It is a kind of an indication that did that it was done at system level.

10 I do go into the risk slightly more detailed, little further on but is probably going to be if I may ask, is yours landscape or ... you have a landscape version. I saw ounces in portrait yesterday which is probably almost impossible to read. It is also extremely, extremely poor quality but I have read this.

15 There is a line item, the third last item is called, Information Management System Network Interface Cards and whatever. A whole lot of figures which is the prices of course. In terms of risk is that this point in May 1998 at system level, the last column of the spreadsheet which is called risk assessment. It is called column 20, column 20. The
20 risk for the IMS is identified as low.

So there were two points, two reasons for this showing this document. It was a consolidation of costs and risks. Costs you can see I can hardly even read them. Certainly the risk is identified as low.

ADV SIBEKO: So if the risk in the audit is identified as low with regard
25 to the IMS what does that mean?

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DR YOUNG: Well it means a couple of things. It is as I said before one would not expect the Acquisition Authorities. authorities to start hunting around for a competitor or alternative contender if the prices were acceptable and the risks were low, or they were manageable. Low does
5 mean manageable that is for sure. So what I am saying is that it did not seem on the face of it at least to be any reason for there to be a suite change in the possible suppliers of the IMS. That is the first part.

The second part of it is that as I said before that the IMS got replaced with a competitive product based on untenable, unmanageable risk. I
10 am saying that is surprising to me because the risks were low. Nobody ever... first of all this is not [indistinct] they took what we put. This is not just a yearly price risk audit. You see this is another point about project Surex and Project Sitron.

Is that why would one have a three monthly progress reporting cycle
15 including a project report which included its own self standing risk report and a project meeting and project minutes all for a technology retention program. In any way as far as risk would be concern, risk would be managed on a continuous basis. Not only were there a risk report there was a thing called task status list. Which is being managed day by day
20 it was being printed and reviewed every three months.

So risk were managed continuously and risks on that basis were also be managed and going away and being attended too. Nobody ever, at least formally continued with the contention of risk were other than low. Here is a recordal at the Navy Project Team Level that the risks are low.

25 ADV SIBEKO: That is paragraph 121 going forward you set out as to

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how these audits were conducted throughout the questionnaires et cetera. At the conclusion of that discussion your refer to a document DT10417 which is RMY19. It appears at page 251. Can you just take us through that?

5 DR YOUNG: Yes, this might even be a slight more legible version of the same document. I think it probably is.

ADV SIBEKO: It is not adapted?

DR YOUNG: Yes, this particular version is not adapted and it is probably legible.

10 ADV SIBEKO: Could you just take us through that?

DR YOUNG: Again it looks to me that is it the results of the May 1999 audit. It might have been printed 1999 but unfortunately there is a hole there which is an unfortunately unintentional reduction but something has been written there by hand. It is printed written in by hand. I still
15 think that comes out of the audit.

Then it is written in hand, candidate suppliers. These were the same suppliers as were first mentioned. These were the same suppliers that were also in contention right from the beginning whether it was 1993 or 1995. This is now 1998. They are also the same suppliers as are
20 identified in the September 1997 Project Baseline Document that was issued with the request for information called the Element Costing and Description. We will come to that in more detail a bit later. Anyway the same suppliers are mentioned. In the ECD they were called nominated contractors and later they were called candidate suppliers in the user
25 requirement specification. This [indistinct] seems to be congruent with

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that.

I am pretty sure that this is only one page so it is only one page of many. Would you like me to stop there?

ADV SIBEKO: Yes. If you look at the left hand of that document just
5 below the written manuscript there is heading or what appears to be a heading of what the document is. Is says Project Sitron Combat Suite Costing Estimate November 1999?

DR YOUNG: This is 1998. But based on the May 1998 audit.

ADV SIBEKO: Yes. Is there anything else that you need to highlight or
10 emphasise with regard to this document as you have elucidated in your statement?

DR YOUNG: No I think I covered in the reductive version of it. I think when I addressed the rest adequately.

ADV SIBEKO: This then takes us to your statement. If you then turn the
15 page at paragraph 127. There you deal with an internal preview that was conducted by ADS and Thompson. Can you take us through that please and you can do that while you look at DT10313 to RMY20. At page 252?

DR YOUNG: Yes, I will do that. I will start of by looking at my witness
20 statement. If you look at the date that this document was produced. We are looking at 7 December 1998. By that stage the GFC had been identified by the Acquisition Authorities as the preferred supplier and they had identified ADS and Thompson CFS Naval Combat Systems that is a division as their partner later formal consortium partners to
25 supply and actually be responsible for the combat suite.

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Very soon thereafter that happened in September 1998. Round about beginning of December 1998 ADS started at least communicating with us and I am pretty sure all sub system suppliers. They are acting in the combat suite of level 4 or level 3 sub system suppliers with regard to
5 soliciting responses including quotations and prices and technical details from us. You will see pretty much coming up that within a week or two or three they were getting our first quotation.

Now they have been identified in the acquisition process as responsible for the combat suite. So they are doing two things. They
10 are getting out information and secondly part of that information is in order to get a internal decision of how they are going to respond with a total level 4 combat suite, price and proposal and addressing combat suite level risk and now we are talking about not putting it not just technology retention endeavour. We are putting in a commercially
15 binding formal commercial offer.

This is the document that came to me during my endeavours to find out more about what really happened. Not all that long ago. Of course it is incredibly surprising to find an internal ADS Thompson document like we have before us. If I look, before I actually look at the document
20 itself is the document which I hopefully correctly paraphrased here because I did this myself. I quote:

*“After careful analyses ADS/NCS have reached a conclusion that most of the risks in the South African Combat Suite Design were of an acceptable nature and therefore could be guaranteed except for the
25 S.A.M and the radar tracker systems”*

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Those two are a big South African Systems being developed multi hundreds of million ones being done by Denel, Kentron and [Indistinct]. If I can just look at the document itself. These were documents that I know came from the whole investigation into ADS and Thompson et
5 cetera.

I think I have given the correct contextual outline at the beginning. This is a precursor to making a formal decision of how to proceed. I think what is important here is that first of all they acknowledge the bottom line price in December 1997 of Combat Suite. They have
10 R1.885 long before I knew R1.8 I estimated R1.9 million. This concurs with that.

ADV SIBEKO: Just to interrupt you there. You were careful to insure that the quotation that appears at paragraph 127 is a correct quotations. Can I ask you to look at page 2 of that document. It is page 253 of
15 RMY20. You see a heading there the risks?

DR YOUNG: Yes.

ADV SIBEKO: So the passage that you have quoted here that comes from there. am I correct?

DR YOUNG: I certainly hope so because I did this document and I did a
20 digital [indistinct] so other than a word processing errors I hope that there are not any quotation errors here. If anybody wants to point that out to me I am open to that.

ADV SIBEKO: Okay.

DR YOUNG: If I may go to the last quoted point on the first page. At
25 least they were aware of high risks and in fact as I have quoted and also

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as stated in that bulleted point specifically referred to the Surface to Air Missile which is a brand new missile which is being developed by Kentron, Unkonto and the Router Radar System Tracking Radar. In other words not only knew but they were hundred of million so the
5 business implication of the risk is there. They knew about those risks.

The most important point is when it comes to the IMS there is no mention of the IMS risk. So the party that made the most noise about risks was ADS. Only later which I will explain to you exactly why is but at this stage there was no mention of risk or at least unacceptable risk
10 whatsoever. So my contention that I will make that the notion of unmanageable risks, business risks it is something that was made up after this. It did not exist at this stage.

ADV SIBEKO: This was in December 1998?

DR YOUNG: Yes, this was a pretty late stage. Just two weeks after this
15 they were asking for our quotations. At this stage they were even still meetings I presume funded by Project Surex. System Level [indistinct] and none of these risks regarding the IMS were being ventilated.

This is the time frame as a absolute precursor for going into the what they call the negotiation phase which is mainly for the combat suite.
20 That all happened started already in 1999. culminating into this. So this is the last months. If there had been risks those risks would have been recorded for the last three or four years.

ADV SIBEKO: You referred responses given by DR Kamerman in his section 28 interview which was conducted on 15 June 2001. The
25 quotation there seems to be picked up from the interview. That

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transcript I see it has not been brought in but we refer it there as RMY21. At 255. That entire transcript runs into a couple of hundred of pages. We will try to extract the relevant documents and insert it here and to the extent that to the context thereof we will try and include
5 perhaps more than the page that it reflects to as 814 as quoted there by the witness.

Dr Young I want you to take us through this statement.

DR YOUNG: Yes I have the benefit of digital document which does not requires a whole forest. It is 397 pages. It is to introduce one or two
10 pages into the evidence. I have this original document. Again hopefully I cut and paste it correctly out of the OCR version of the transcript. I will read what is written in the second paragraph of page 814 if you would like me to do so?

ADV SIBEKO: Yes.

15 DR YOUNG: The interviewer asked what was the risk assessment of the IMS: Interviewees: Response:

*"The IMS in terms of the risk to our combat suite was relatively benign with regard to the technical aspects. We did not do a risk assessment at that time and the technology program of contractual commercial risk
20 with regard to the issues that subsequently transpired and the Capital Program Negotiations where the majority of the risk was a contractual (inaudible) type of vessel, sic (whatever that means in Latin).*

*Certainly we were satisfied at the time that the C-Squid I-Squid's technology represented a manageable technical risk. Otherwise they
25 would not come in put forward as a capital supplier in the tender*

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documents that we instructed the (inaudible) Armscor [indistinct] to proceed with. I, e the URS that we gave or maybe the GFC the URS that we gave them in December 1998 that would have been GFC yes. as preferred supplier.

5 *Had we not been satisfied that he had reached a level of technology that or that we had not a full level of technology we were satisfied long with the remaining listing that we did of local contractors.”*

ADV SIBEKO: When reference is made to the risk of the IMS being relatively benign or in the next paragraph that they were satisfied that at
10 that C-Squid I-Squid technology represented a manageable technical risk what did you understand by it. What do you understand by this?

DR YOUNG: As I think I have stated elsewhere. I have been involved in capital programs from project winners in 1985 and there was formal or [indistinct] brands of capital nature and of this size. There is formal risk
15 management. In fact some of the risk management is not just done in the South African Style but comes from System Engineering Methodology American.

Risks are normally categorised in terms of time scales, costs and performance. In the early days between 1985 and 1991 and 1994 in the
20 South African context they had another category of risk called political risk. That was mainly due to sanctions and the possibility that all your other ducks in a row and you not being able to import the stuff or your smuggling agents get caught at the airport with the stuff you wanted. Those were political risks.

25 By that stuff, sorry that stage I mean in December 1998 when this

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actual interview was done in I think in June 2001. They were certainly referring to the 1998 context. I was not aware of any political or any political risks being manageable, in a political context. Okay let us say with the benefits of at this stage going on close on a decade and a half
5 of my involvement with capital programs. Just remember I was not only involved in level 3 I was also involved in level 4. I had a visibility of risks at the combat suite level certain technical risks.

All the risk management done on time scales. cost and [indistinct] being reported. If one analyse all of those risks, if there are any risks if
10 there are genuine any risks they will constitute, sorry they could constitute a business risk.

Somebody is assuming responsibility that would cost you to business. There were no risk. The risk was low in all of those categories,. So in my view there was no real risk at any level. The only risk that seem to
15 come out if I recall (frankly speaking) a patent risk. Patent meaning manufacturing.

ADS and Thompson manufactured this risk in order to escalate... well first of all to escalate our prices with the risk, we took our price from, our price as I said was R38 million and our price at ADS was putting in was
20 at R42 or R43 million and escalating to R89 million. That is the nut of how our company companies product our IMS basically became unaffordable at least in the view of the Acquisition Authorities and why we were replaced.

ADV SIBEKO: A part of the response that you gave to me is reflected at
25 paragraph 129 and 130 of your statement, would you confirm that?

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DR YOUNG: Yes that is probably a written summary of what I have just said.

ADV SIBEKO: At 131 you refer to a fax from Thompson CFS dated 1998 August 31st ?

5 DR YOUNG: That is correct.

ADV SIBEKO: That is your DT10271 it is RMY22 and it is at page 256. Take us through that.

DR YOUNG: There is both the original French version and there is the English version . The English version come out of the efforts in the, I do
10 not need to mince any words, the Schabir Shaik corruption trail. That is where the documents numbers at the top come from the 78... that was the investigating team number. The DSO the Scorpions at that stage got these documents formally translated. Unfortunately the translator made a bit of a mistake in the English version and wrote down the dates
15 as 31 August 2000. We can see that is one reason why I have got the French version I am not fluent at all in French in fact I cannot speak of French but it seem to be dated Lundi 31 1998. Lundi is August.

ADV SIBEKO: The French version Commissioner Musi you will see is at page 257 of RMY22. Can you see it?

20 DR YOUNG: Yes, I can see that English version it is the second page of my document. 202.

COMMISSIONER MUSI: So the quotation at 131 of your statement is taken out of the English version I presume?

DR YOUNG: Yes, I have cut and paste the digitised version starting on
25 the 5th last line of that big English paragraph.

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COMMISSIONER MUSI: It is the 4th?

DR YOUNG: The 4th last line?

COMMISSIONER MUSI: It says that:

“ *[indistinct] has proposed an alternative solution which will*
5 *simultaneously protect the [indistinct] developed by C²I². This solution*
weakens the ADS proposal and runs the risk of forcing an eventual
argument for those that support the question of leadership of ADS.”

ADV SIBEKO: Can you just explain?

DR YOUNG: Of course I have to elaborate slightly because the
10 *[indistinct]* is written by somebody that I do not know but I understand it
to be somebody Olivia Busia. It is written in slightly marketing type of
talk.

Specifically I am talking to the reference to leadership of ADS. What
leadership of ADS means is being responsible for the integration and
15 the integrated supply of the integrated combat suite. That is what they
mean there.

What is also means is that ADS call the shots that is the leadership
calling shots of what is what. Of course there is a lot of things in this
particular short memorandum. When this is said in August 1998 by this
20 stage Thompson CFS had bought 50% of ADS. They refer to the
reaction of the principal chief of staff concerned of the presentation by
ADS on the new system of the combat suite based on TNT.

TNT is the Thompson CFS, Combat Management System called
Tavitac that is its name in French NT for New Technology. Now they did
25 that in quite a long time before that in the beginning of July as they say.

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I attended a meeting in Mount Edgecombe where I believe that, that presentation was actually given the previous evening. We saw an almost identical presentation by ADS though I was myself part of the chiefs of staff. We certainly saw what was being proposed. That would
5 be to come onto the CS1 to CS7 those are the different combat suite architectures and basically what was being proposed at that early stage in mid 1998 is the removal of that C-Squid I-Squid INS. Because many of those combat suite architectures actually do that specifically.

Politically they wanted to know what the reaction of the chief of staff's
10 that is what they mean by the head people in the Navy the Acquisition Authorities, Armscor et cetera. We are see, they wanted to know whether there would be immediate [indistinct] reaction to whether or not their proposals to remove not only remove the IMS but buy removing IMS they get leadership technical leadership of the architecture. It
15 means two things and I will come to it a little bit later. Is replacement of the indigenous South African Combat Management System with the French TNT, Tavitac. By itself that is by itself change the architect of the system. It connected to everything else where instead of an independent IMS connecting everything independently and of course it
20 took the whole architecture with the Tavitac TNT you did not need an IMS.

Because that combat management system itself did all the connectivity. So there is two aspects of it what do they call it. A technology insurgence using a polite terminology of the TNT and
25 changing of the whole combat suite architecture because of TNT and at

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the same time removing out bids.

ADV SIBEKO: Now how is or what entity is BAC that is referred to in the document?

DR YOUNG: Again we are going to address the whole BAe-SEMA issue in more detail in a slightly different context. Certainly in terms of the time the chronological context it is absolutely imperative or important of what was happening here in this time period of 31 August 1998. As I explain a little bit more detail. At that stage up until I think it was May 1998 there was going to be an ADS, Altech Defence System, combat management system and that is why I mentioned the AIS and the WCU as being the ADS's combat management system.

As soon as the French bought 50%, the French Company Thompson CFS bought 50% of ADS they obviously well they did it for particular reason. They did it to get this particular contract. But until that happened it was going to be a complete South African solution. You can see that from many other documents including the run-up to the [indistinct].

So companies like BAe-SEMA, BAe-SEMA is a subsidiary 50% owned by British Eurospace and 50% owned by a company called SEMA in France. They were very interested. They would be interested actually from way back when in early 90's. Certainly I will talk a little bit more from 1997 because some very interesting things happened in 1997 regarding their visit to the country. Also they were keeping a watching brief, you call it legally of what was happening.

They kept a low profile but as soon as Thompson bought 50% and

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were proposing to exclude the South African CMS the BAe-SEMA says we also have a CMS, okay we have change to get in now.

They were talking to a lot of people in the country. We were just this tiny entity but they would talk to but I will address that in quite detail who
5 they were actually talking too. Of course this guy Olivia Busia that I know as a marketing guy he is actually in a polite way he is an intelligence agent. Not in a negative way but he is there on the ground to work out what is happening. He was reporting back on BAE's interests in the combat suite.

10 Precisely what he says, BAe-SEMA was proposing an alternative solution. They were actually proposing an alternative combat suite based on the BAE combat management system and [indistinct] but the same one. Of course if they waited longer they would have as he says protected the [indistinct]. So that is why he is reporting back that the
15 complete situation that was developing was of such great importance that it needed to be fed back to head officer in Paris.

ADV SIBEKO: What was the significance of your reference to "our friend CS" at paragraph 133 of the statement going on to 134?

DR YOUNG: Yes as I said that they have referred to as our friend CS
20 and then at the next line they jump the position of Principal Chief of Service. Now one of the chiefs was the Chief of Acquisitions. So certainly at this stage there was somebody called Chippy Shaik who was a chief. I am unaware of any other person in this acquisition process who is referred to by the indentifying CS. As you will see from
25 other documents plenty other documents that they were friends, Chippy

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Shaik was having meetings with them. They were reporting back regarding various interactions.

Although I was not there I would say that this is my opinion is that one of the Principal Chief of Service to whom they gave this presentation
5 would have been Chippy Shaik and he being an insider would have been well placed to provide a response on the hot response, hot reaction presentation of the other people. These were the chiefs of the process at least. Derrick Crooning was a senior manager in Armscor. Kevin we would come to and the bosses from the Navy side are
10 Admiral, Captain [indistinct] and his boss Admiral, Howel and Van Skrick is actually the person who replaced General Howel as Shaik, Van der Schyff.

CHAIRPERSON: Will this not perhaps be an appropriate time to adjourn?

15 ADV SIBEKO: It will Chair I just need an indulgence of five minutes just too close of this section because then we can start with a new section when we continue tomorrow.

CHAIRPERSON: Thank you.

ADV SIBEKO: You were referring to paragraph 114?

20 DR YOUNG: Yes, I am going to come to the whole issue of Chippy Shaik and the conflict of interest. I think it is just relevant at this point to point out is that although Chippy Shaik formally declared his conflict of interest at the first project control board in December 1998 he was by then the Chief Acquisitionist. So other than the recusal the actual state
25 the conflict of interest existed at this stage.

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As I have said his brother Shabir from where the conflict of interest derives was already a director of ADS I believe from much, much earlier something like 1995. Also the partners of Thompsons was Schabir Shaik company Ncobe Holdings. So the real state of conflict of interest
5 did exist.

If this is true that they were using their friend in the group of Chiefs of Service it is unlikely that they would have put this in writing. Of course they would never has suspected that I would have seen this document purport to be ventilated in proceedings such as this it is an internal
10 document. So we have to take it at face value. If it is true and they were expecting to get his input on that it is very telling regarding the sharing, I am not talking about, how can I say from a military point of view but from a somebody on the inside of the Acquisition Process being the Chief of Acquisitions at this early stage before the negotiation phase passing
15 information, ultra ultra sensitive situation to a foreign company.

ADV SIBEKO: You conclude that section of your discussion by mentioning that during June 1997 and plus the Defence Review that you had referred to earlier in the statement the Cabinet approved *inter alia* the program for the acquisition of four Patrol Corvettes like the DOD or
20 the South African Navy?

DR YOUNG: Yes this is probably not something in my own knowledge but certainly what is in my own knowledge that the Corvette Program kicked off officially with the request for information to the overseas contenders in September 1993. So obviously by September 1997 it had
25 been approved otherwise (at least in principle) it was a government to

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government package. So my statement of it being approved in 1997 June I think would be correct.

ADV SIBEKO: We shall deal with the details of what he did when we proceed again tomorrow.

5 CHAIRPERSON: Thank you. We adjourn until tomorrow and tomorrow we start again at 09:00.

ADV SIBEKO: Sir we would be supervising again the finalisation of the bundles. We left quite late last night. I was going to request an indulgence that perhaps we could start at around 10:00. We will try and
10 push a little quicker tomorrow?

CHAIRPERSON: So we start of 10:00. Then in that case let us start tomorrow at 10:00.

(COMMISSION ADJOURNS)

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