

ARMS PROCUREMENT COMMISSION

Transparency, Accountability and the Rule of Law

PUBLIC HEARINGS

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HEARING ON 12 MARCH 2015

CHAIRPERSON: May the witness be warned that he is still under oath.

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

ADV SIBEKO: Chair I believe that there is an issue that we need to
5 address before we proceed with the testimony of Dr Young. I have
asked Advocate Sello to address that.

ADV SELLO: Good morning Chair and Commissioner Musi. Yesterday
the legal team, after the hearing yesterday the legal teams had a brief
discussion about the admissibility of Dr Young's evidence in chief and
10 cross-examination being completed by this coming Friday. It became
apparent that is unlikely to happen. We then discussed amongst
ourselves what options are available.

As things stand Advocate Sibeko will endeavour this witness by today
but I think there is a general sense notwithstanding his best endeavours
15 that might not be attainable. The DoD has indicated that it will require
no less than two days to cross-examine the witness. Advocate Morane
has expressed an interest to cross-examine and he may do so at length
Regard being had to all that it was generally accepted that chief and
cross-examination is unlikely to be completed by Friday.

20 In light thereof we discussed with Advocate Ndumbe and requested
that he put a proposal to the Commissioners on our behalf requesting
that the evidence in chief of this witness be completed by this coming
Friday. To reschedule the cross-examination. We are all mindful of the
fact that as of Monday next week companies are said to give evidence
25 before the Commission. As it is next week would have been fairly

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impossible for the witness to present himself for cross-examination. We were proposing that if he finishes his chief on Friday the companies continue with their evidence come next week and the witness is requested to return in the week, I think it is the week of the 24th for such
5 period as is necessary for cross-examinations. That the Commissioners apply their mind to the proposal and we beg leave that they accede to the request that is being made by us as evidence leaders and accommodating the other teams. Also in particular not to disrupt the program for the testimony of the companies come next week.

10 I subsequently had a discussion with Advocate Ndumbe who confirmed that he had communicated the request to the Commissioners. I think it might be appropriate before the Commissioners give their response maybe to hear directly from the affected or interested parties regarding the proposal that has just been made. Thank you Chair.

15 **CHAIRPERSON:** Advocate Kuper?

ADV KUPER: Chairman we support that request what my learned friend has said about the likely duration of cross-examination is [indistinct]. There is a substantial cross-examination on behalf of the DoD to deal with this witness and there are a number of my other colleague who
20 have indicated that they have significant interests in cross-examination.

We could think also that he massive material that has been introduced by this witness during the course of this week and in the days before we could benefit a great deal to have the time to digest all that information. The result will be that the cross-examination will be
25 when it is delivered shorter and more concise and I have no doubt

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helpful to the Commission than it would otherwise be. So there is a great deal of value in my learned friend's suggestion. As I say with respect would as the Commission to view them favourably.

CHAIRPERSON: Thank you.

5 ADV TSATSAWANE: Thank you Chair and Commissioner Musi. My name is Kenneth Tsatsawane I appear on behalf of Armscor. I just want to record that we also want to cross-examine Dr Young. We support the request that has been made by evidence leaders as supported by Mr Kuper.

10 CHAIRPERSON: Any other person who wants to make an input? May we then go back to Advocate Sello.

ADV DRIMAN: Chairman I have [indistinct] Group. We would also like to reserve the rights to cross-examine and this arrangement would be acceptable.

15 CHAIRPERSON: Thank you. Advocate if I am going to grant it the suggestion is that after Dr Young's evidence in chief we must refer his next appearance to 23rd Thank you.

ADV SELLO: Chair we, that had been our thinking but it has now been communicated to me that the venue is not available on 24 to 26th. Sorry
20 25th and the 26th. I beg your pardon?

CHAIRPERSON: Come again?

ADV SELLO: I am informed by the secretary that the venue is not available on the 25th and 26th of April. I think that would have an impact on the Commissions suggestions as to when Dr Young must return for
25 his cross-examination.

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CHAIRPERSON: Can we [indistinct] have you spoken to Dr Young. If we refer his cross-examination to the 23rd would he be here. I think the question of the availability of the venue I think that is something that we can deal with. If this venue is not available we will try and get another
5 venue so that we can do that there.

ADV SELLO: Chair we previously had discussions with Dr Young to check his availability and it did sound that they would be and I am not confirming as yet. He has once again confirmed with Advocate Sibeko. Maybe Advocate Sibeko can comment thereon?

10 CHAIRPERSON: To me it appears as if the majority of the people will be available on the 23rd. They would be ready to continue with this matter on the 23rd. I think that Mr Young must make himself available on that date?

ADV SIBEKO: Chair he just conveyed to me that he will make himself
15 available on the 23rd.

CHAIRPERSON: Thank you. Then the arrangements are that we will proceed with Dr Young I think Advocate said that Advocate Sibeko would like to finish today. So if he does finish today we will then adjourn the further hearing of Dr Young's evidence to 23rd of this month.

20 ADV SELLO: Chair without seeking to argue with the Chair I did not say that he will finish I said that he will endeavour to finish. That is as he communicated to me. Whether or not he succeeds in that would not be able to tell.

CHAIRPERSON: Sorry I misunderstood you. I see that Mr Young is
25 shaking his head there.

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DR YOUNG: Yes unfortunately that is how I can get the attention of my evidence leaders. I did an analyses last night and if we get about 23 hours a day in we might end the next 24 hours time. Basically I think we would be hard pressed by time for me to catch my airplane tomorrow
5 from OR Tambo at about 18:00.

CHAIRPERSON: Let us concentrate on this. Let us see how far can we go. I think again that I want to finish Mr Young's evidence in chief before he leaves. If there is need to change the plan to reach that you do not have to that. Ideally it would be much better that if the companies come
10 and testify they should be in a position to deal with all the allegations that are being made.

That can only be possible if we finished his evidence in chief before the companies come and testify. We must finish his evidence in chief before he goes back to Cape Town. If that means that he must delay
15 his departure it think we have to do that. Let us see how far we get.

ADV SIBEKO: Perhaps Chair and Commissioner Musi perhaps before we continue from where we left of yesterday. An issue arose during the evidence of Dr Young when he referred to have been an English translation of the 3rd German Report. That was Annexure RMY55.
20 Annexure 55 if one have regard to the date and the content thereof mirrors annexure RMY52. The correct document has been printed and copied and distributed. I believe that it has been placed before the Commissioners. That is the document that was tendered to be included as annexure RMY55.

25 **COMMISSIONER MUSI**: Number?

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ADV SIBEKO: RMY55.

ADV SIBEKO: That would be file 4. This would then perhaps what appears from page 1156 to the end of 1195. Perhaps these could be marked for purposes of identification of the record as 195A up to L. The
5 last page is K not L.

You will see that RMY55 or the RMY55 that starts at 1156 as I indicated is the same document as RMY52. So this document starting at 1195 would then be a completion of the serious of the reports that were referred to of his evidence. Do you confirm that doctor?

10 DR YOUNG: That is correct.

ADV SIBEKO: Anything that you would like to add regarding the ruling that was made regarding to documents?

DR YOUNG: Yes I would just like to spend three to five minutes on this document because this is specifically important.

15 ADV SIBEKO: You will not be bringing your interpretation of the documents?

DR YOUNG: No I will just be pointing out to the facts as indicated by the document.

ADV SIBEKO: All right. I will give you five minutes.

20 DR YOUNG: First all I need to indicate and also apologise. It looks like I made two mistakes in this regard. One giving my evidence leaders the wrong file. Secondly which I would like to address now. When my evidence leader brought me to this document yesterday and pointed out the difference in dates between what is the German and the translated
25 English version I obviously got bit confused about that and I though

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possibly that somehow that I had got the dates wrong.

That is not true at all it is the correct date and it is precisely that particular part of the report is precisely the same as in the German version so I apologise for that. The next point that I want to make, I m
5 referring to the English version although I would repeat to stress, if there is any discrepancy here obviously the German original stands because this has not been officially translated. If I may say so this document includes primarily names of companies and dates as well as amounts. Very little interpretation needs to be done in converting it to a
10 understandable English version. That is why I have actually left it precisely as Google translator left it.

If I may say not trying to be trite about the matter. I think the Google translator was much better when I did this document translation about in 2012/13 than the original one. The Notiz document so it look fairly
15 reasonable to me. As I said there is not too much that needs interpretation from the English. If we are looking at the dates that is an important point.

We are looking right at the very top is says 7/5/2008 that is May. Unfortunately I need to bring that into the context of what Advocate
20 Morane brought up making a statement to the Commission that the German Investigation of which this is a investigation report 3rd in the series had been terminated in respect of all of the parties that I had referred to in at least in the first report. Anyway I asked for a copy of that letter to which he referred and I am pleased to say that I did get a
25 copy.

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Other than the issue of the name of the client Jens Gesin you will note that the dates of that letter (my eyes are not that great as I put on the record before) but it looks like 01.02.2008. According to him that put an end to the German investigation regarding the arms deal.

5 That cannot be correct if one looks at the arms deal. If one looks at the date, both are correct in both the German version and the translation of the 7 May 2008 is very clear that this investigation was continuing. In fact the first sentence of this report says, First evaluation of [indistinct] the account number as well as the bank Jersey. That is basically what
10 this report is all about. I am only going to point to two or three relevant points. There may be three.

It is all about the analyses of the payments and without an analyses basically this is an indication of the consummation of the corruption agreement. I will have bookmarked a few areas I think that it three areas
15 which I will go not. I will just get a glass of water.

ADV SIBEKO: The matter that you need to deal with is the one referred to at your page 3 of 11 and our page 1195C?

DR YOUNG: That is correct. I am looking at a heading. It says 4 Payment of TRT. The 4 is not the number of payment so that is just the
20 number of the paragraph. If I may proceed? It says:

“The entrance of the contracted USD300 million bribe was made on 4 May 2000. With the textun, (I think it means the textual annotation I suppose it means) ‘B/O Thyssen R as per C+++ the beginning of the number 606318”

25 That is the first point that I wanted to make.

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ADV SIBEKO: Your next point is under paragraph 6 dealing with the E which is our 1195 E.

DR YOUNG: That is correct. Paragraph 6 has a list of about 20 payees the receivers of the money paid in by Thyssen that the court with the
5 fact in respect with the group of people. I just want to address three of them. I will start off with 6.3. Ian Pierce Elvis. It is actually Ian Elvis Pierce is his proper name received an amount of USD270 thousand of which it gives a date. It then goes into the previous two.

There is a company under 6.2 Stef African which is as far as I know a
10 Pty (Ltd) company and the director of it is somebody called Lorrial Corea Pierce. Born in 1980 and she is the daughter of Ian Pierce. The next point seeing that it has the lion share of USD388 thousand is a company Stefenal. Fortunately you will see that the investigators it was a preliminary report the company Stefenal is not a cosmetics company it
15 is a Pty (Ltd) company registered in South Africa. Most interesting for me I just checking. The director is somebody called Paula Sakota was born in 1940 and despite this all happening the years 2000/1 a search that we or I did records that this particular person having received this money in her accounts died of cancer of the stomach on the date
20 2/5/1993.

Unless you ask of an analyses of what that means I will rest my case. There is one other point that I want to come to. I was resting my case regarding Stefenal. There is just one other point that I would like to make?

25 ADV SIBEKO: Is that in relation to the payment to Hoening's?

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DR YOUNG: No that is addressed there. It is on my page 9 my evidence leader has a colour copy if he can just take me to the correct bookmarks which I have in my computer here. It is on my page 911 so it is the third last page. It start with the sentence saying 'Thus opening the
5 account.

ADV SIBEKO: That would be in our 1195I for the record.

DR YOUNG: It says:

*"Thus opening the account will fall in time with the bribery agreement at the South Africa tour of the accused Hoening's with C Shaik of the
10 dates 27 July 1998 together with Merrian and the signing the treaty. that was the agreement on 8 October 1998.*

*This statement and to the entrance of the TRT payment recorded booking process suggest that the account was set up with the sole purpose to make the expected payoff of the TRT flow into this
15 account and then distribute from there to the actual beneficiaries."*

ADV SIBEKO: Does that conclude the report or is there error matter that you want to talk about just briefly?

DR YOUNG: It does not conclude the report but it includes the points that I wanted to bring to the Commissions specific attention.

20 ADV SIBEKO: The rest they can read for themselves, correct?

DR YOUNG: That is correct, yes.

ADV SIBEKO: This then brings up to the subject that you were about to touch on when we adjourned yesterday. This would be surface-to-surface missiles. This is in relation to the reduction of the price which
25 also had [indistinct] the fact of reduction of ...[intervenes].

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DR YOUNG: I am just trying to find the right place here I will then put of the sound.

ADV SIBEKO: That also had the fact of adducing the scope of was inquired for the combat suite. This in particular is a matter that you had introduced earlier on in your evidence. If we can just deal with this and round it off. I see from the documents that you have referred to this matter at your DT10505 which is our RMY73 which appears at page 1369. As you will note this is an earlier annexure that we have dealt with previously. I just think we can use this just to round of the point that your started to make earlier in your evidence.

DR YOUNG: Yes, could you just direct me to the correct page in my witness statement?

ADV SIBEKO: We are presently at paragraph 452 of your statement.

DR YOUNG: Like the page number so that I can get to look for the correct page.

ADV SIBEKO: It is 112.

DR YOUNG: Thank you. Okay I have the correct page yes. Would you like to start going through it. Okay. As I have said a number of times in my previous evidence. This is an issue which I have tried to analyse but without the benefit of the most important and certainly the most relevant documents which I have been asking for. This is being based upon a fairly large numbers of snippets of information which I am aware even in the light of irregular redacting of the documents that have been provided to me.

Be that as it may. I have indicated here in my paragraph 452 that it

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looks like according to Thomson-CFS with the price of the surface-to-surface missile was. I actually got a mistake there was R182 million French Francs. I have an RF there to remove the R it is properly again it makes not difference because Frank and a rand are approximately the same at the particular time. Round about R182 for the ammunition.

Yet one of the points for my analysis is that then Captain Kamerman testified at Public Protector Hearings that the price cost of each of these at least the Block 2 Exocet MM40 missile rounds was about R20 million each. So simple arithmetic at least would show that you could not get, that you could only have purchased nine missiles but the evidence that he gave on record is that there were 17 missiles.

Of course that could have been the one off cost of the missile I do not know that. Even looking at other prices in US Dollars of USD3.5 of 5 million or whatever they are still something arithmetically does not make sense to me at least from what I can see. It is not only the missiles themselves. As I said there are fairly expensive launch systems, launchers and launch consuls on board the... just stop for a second. We do not need to go through the next document. It is something that I have shown before. The document at RMY73 is just an indication of the pricing breakdown that indicates that figure of R182 million.

I need to be frank but I am actually going back in time. I also got the inclination probably reading between the lines of what people were kind of indicated whether it was said in words or just body language. I was also advised, ... it became apparent to me anyway that in fact another scheme was used. The indications of that are the reasonable indications

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for me on the documentary record without making bold and wild assertions are that as I pointed out yesterday.

The project control board as well it's annexure A which is the presentation done by the project officers that indicates the scheme as a
5 lease/purchase arrangement in four different options. The options have not been transparent to me. They have been [indistinct] I do not know what they were. It seem the least expensive of those was used whatever that might be.

In any case the other piece of documentary evidence that indicates
10 ADS's own relevant documents talk about the removal of the ammunition. I said specifically the most extensive part of it is the surface-to-surface missile rounds and certainly there are indicator of amounts of between R300 and let us stay R320 million at least that seem to have been removed and the reasonable inference from that is
15 that, that was one of the mechanism and he way that the price was reduced from R2.9 billion to R2.6 billion. So that is also on the documentary record.

Going on to my paragraph 454. I think I have covered this in previous evidence regarding the project control board and the selections thereof.
20 Also presentations to Naval Board is that the Block 2 MM40 missile was actually both recommended for use and as actually having been purchased, okay there is the ANF the Advanced Naval Missile as well but that is actually a Block 3 missile but it is clear from the documentation which I think I only come to now is that Block 2 missiles
25 certainly was in terms of the MM40 series in this was the current state of

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art at that stage even though the Block 3 was at initial stages at development and maybe [indistinct] for the French Navy at least. Internationally the Block 2 I would concede or agree was current state of art for the French missile.

5 It is clear that Block 2 were aboard and that is not in accordance with then Captain Kamerman's averments I think we can say that the SA Navy required 17 Block 2 MM40 missiles under Project Sitron. I am not even sure whether the 17 missiles were actually, certainly they were required I am not denying that, whether they were purchased I am not
10 sure about that.

Indeed some of the evidence that I have is hopefully a trusted source called the Minister of Defence would lease the Minister of Defence Mr Lekota who answered a letter in terms of a, answered by means of a letter or at least a written reply in Parliament to Parliamentary question
15 dated 13 August 2007. To a Parliamentary question by a member of Parliament in fact indeed a member of SCOPA. Who is allowed to ask these question regard the public purse.

ADV SIBEKO: The evidence that you are referring to Ministers response to a question put to him in Parliament that is document si that
20 the one, it is your question and it is our RMY94 which is at page 1763 of the bundle?

DR YOUNG: Yes that is correct.

ADV SIBEKO: I know you deal with the issues raised on that. Just briefly.

25 DR YOUNG: Yes very briefly. I am on the first page. I think I have

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adequately addressed the authenticity and the derogation of this document. If we go down to the reply I think everyone can see what the question is but the answer is that it is on the table, the serial I think it is just the answer to the questions. I am just going to deal with the first
5 question.

Interesting under the title Valour Class Frigate Missile Carrying Capacity. Under column A, surface-to-surface missile the SSM interesting it actually records the capacity of eight missiles per frigate. A total of four frigates. Simple arithmetic shows us 32 yet of course only
10 17 were purchased. That in itself is an interesting question of how less than the required number are actually required within the project leaving the rest to be required by other means.

Of course if you go to column C it is actual missiles purchased as part of the acquisition project but this specifically refers to six Block 1 Exocet
15 missiles and 11 Block 2 Exocet Missiles. Sure there are still 17 but certainly there were not 17 Block 2 MM40 missiles as then Captain Kamerman testified under oath.

ADV SIBEKO: You then deal with the evidence of Captain Kamerman as he then was before the joint investigation into the strategic defence
20 packages. That you deal with in your paragraph 455 of your statement through a transcript which is our RMY95. It is at page 1765.

DR YOUNG: Yes, I have that document in front of me. Unfortunately I get 74 pages. I do not have a bookmark to take me to that. In this instance if I may I rely on my hopefully accurate recordal of what was
25 said there. I do think, I could probably find those things by a digital

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search but that would of course save a little time. So if it is adequate for purpose I will just rely on my oath that at least does come out of that document. I cannot 100% vouch for every comma and every full stop being at the right place. As I said I have hopefully quoted correctly from
5 that document.

ADV SIBEKO: This the passage that you seek to rely on to demonstrate that incorrect facts were presented for the joint project?

DR YOUNG: Yes that is one part of it, incorrect facts. As importantly the basis for my arithmetic analysis I think that I am entitled to arithmetic
10 analysis here not legal analysis. If I may just refer without belabouring the proceedings. I think I have probably addressed the first paragraph. I just want to refer to the last two sentences of that paragraph, if I may?

ADV SIBEKO: Yes.

DR YOUNG: As I said just as an introduction they approached R20
15 million per piece. So if you reduce by R16 million, sorry missiles or sorry by 50 or 50 missiles you can image that is an awful lot of money. That is what I have been trying to say the last couple of days. I get to a little bit more detail in this particular theme.

ADV SIBEKO: The next paragraph.

20 DR YOUNG: Again we are faced with a situation that now that the two missiles has been specified rather neither of the two missiles that were on the table for evaluation before us there in the missiles that I have indicate to you or the world leading non United State missiles. The Aerospatiale Missile and the SAAB Missile. Between them apart from the
25 Russian missiles really equipped the Western Navy *per se*. We had

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neither of those two options met our user requirements.

It is self evident that the two missiles that were contented with were not the Block 1 MM40 missiles and the Block 2 MM40 missiles but the rather the MM40 Block 2 and the SAAB RBS50 missile.

5 ADV SIBEKO: Going forward to the paragraphs that you have referred to is there anything else that you need to add regarding this aspect?

DR YOUNG: Yes more in the way of emphasis to keep my train of thought running. In the next paragraph he says:

10 *"This obliged the German Frigate Consortium to go back to the manufactures."*

I think we or I addressed this point and it did not seem that it was actually the GFC that were obliged to come back and ADS and Thomson were.

15 ADV SIBEKO: The remaining paragraphs do they also is there anything that you wish to emphasize there during the point that you are making?

DR YOUNG: Yes I am just going through that. We do not need to go through the whole paragraph starting, If you went under that minimum level that is on record I presume. If we just go the last part of that on the next page. "

20 *That the missile was eventually proposed to the Naval Board which ratified it which in turn was proposed to the, or brought to the PCB which in due course ratified it."*

I want however to emphasize that MM40 Block 2 is the leading European missile and it is supplied to dozens of nations. In fact the front
25 line anti ship missile for many nations as we speak it is a Superb missile

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it would not want to argue with that. The MM40 Block 2 is an entirely different to the MM40 Block 1, six of which were clearly purchased under this project.

ADV SIBEKO: Carry one there.

5 DR YOUNG: I am looking at the last of the quoted sections there. It says. The MM40 Block 1 was used in the Gulf War that is clearly before the second Gulf war that is the first Gulf War because of simple arithmetic chronology of this and as far as can remember the first Gulf War was held in 1991 and here we are 10 years later.

10 Anyway it says, MM40 Block, sorry in my editing it should have said block) 2 (as you can see there is a gap there obviously did a wrong search and replace. That was what was meant to be there. My oral evidence supersede my witness statement. if I need to put it on the record again, it is a completely different missiles. These are not my own
15 words. It is a brand new state of the art missile. It has the leading edge on missile technology today.

As I said the Naval Board was not prepared to compromise on our primary weapons, clearly they did.

ADV SIBEKO: This theme is continued in the further interview that
20 Captain Kamerman had with other investigators and those regard being referred to you DT10770 which is our RMY21. Is that correct?

DR YOUNG: That is correct. I do not think that I need to ventilate this particular point. What I have in front of me is what I have said and it probably suffices for these purposes. I think if I may I should carry on
25 my train of thought at least carries on my paragraph 457?

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ADV SIBEKO: Before you carry on to 457 I just need to point out for the record that RMY21 is a voluminous transcript which was put in its own separate file. Which has been marked File 1A. Once more for purposes of the record it is a document entitled, Investigating Directorate Serious
5 Economic Offences and Inquiry in terms of section 38 of Act 32, 1998 in respect of the South African National Defence Force.

It sets out the Chairman Mr JE Swanepoel, examiners Mr J Swanepoel and Ms A Van der Kolf. Mr W Oosthuisen. Mr B Downer and the witness is referred to as Rear Admiral JEG Kamerman.

10 That specific reference is mentioned at paragraph 456 of page relied on in the transcript. Yes, Dr Young you were going on along with your train of thought in paragraph 457.

DR YOUNG: Yes that little break gave me chance to read through 457 and being mindful to at least to me is a new ruling regarding the way I
15 treat my evidence. it would seem to me that this could be an instance of analysis possibly even the legal interpretation of the word irregular. Unless I am directed to do so I think it would be appropriate to carry on at my 458.

ADV SIBEKO: So what you set out in 457 will be the observations that
20 you have made with reference to the documents that you have referred to earlier on in your evidence regarding what was stated in respect of the Block 2 missiles?

DR YOUNG: That is correct. If I may say although I do not want to do an analysis or draw conclusions I use the term irregular and I bring this
25 point to the Commission because as far as I know one of its terms of

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reference is dealing not only with corruption and bribery but also irregularity in the processes. In my view if my analysis is, my overall analyses is correct then this could be an indication of questionable acquisition practices.

5 ADV SIBEKO: In paragraph 458 you deal with the time when the Exocet missiles were ordered. Is there anything that turns on that paragraph?

DR YOUNG: No it is just as an indicator of what would have pointed to what other indicators there are in the public domain and I have been advised that one seldom relies on the media. If I look at the SABC
10 dealing with my evidence I know that is definitely a true [indistinct] but anyway it is an indicator at least that what fairly authoritative[?] defence Journal says and not a national broadcaster says. Jades Intelligence Weekly says that:

“*The South African Navy has placed on order with EADS for the latest
15 generation Exocet anti-ship missiles to equip four new Meko A200 patrol corvettes.*”

If it is true and as the words say then it is interesting that it was the Navy placing the order and not actually African Defence Systems and Thomson. Of course the press seems to get things wrongs as often as
20 it gets things right and that is being generous.

ADV SIBEKO: In the following paragraph 459 perhaps up to 461. These would be you concluding observations in fact of the issue relating to how many Exocet missiles were purchased. Is that correct?

DR YOUNG: I think that is a fair statement to make.

25 ADV SIBEKO: You conclude there that Admiral Kamerman was not

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placing correct facts before the investigators before whom he was appearing?

DR YOUNG: That is my observation not my analysis of the clear English meaning of the words that I read.

5 ADV SIBEKO: Having dealt with this matter. Is there anything else that you wish to add?

DR YOUNG: No I think that is sufficient for the purposes of this theme before we can address the next theme.

ADV SIBEKO: Would the next theme be the one that commences at
10 paragraph 462 of your statement, where you state:

“Another aspect that needs to be considered is whether SSM and it missiles were actually acquire under the SDP Corvette Program through ESACC or differently.”

DR YOUNG: No I think that I have addressed that point. In fact my
15 admittedly quite scanning of the paragraphs right to including 467 are as you correctly say a summary maybe a conclusive summary of the evidence that I have addressed on this theme.

ADV SIBEKO: That would then bring us to the subject of the IPMS simulator the discussion of which starts at paragraph 468 of your
20 statement.

DR YOUNG: Just thinking about what I said now. It might seem as though I am leaving things out. I am doing that two respects. I am not trying to leave things out because I think that I have adequately addressed them all. Also I am mindful of the ruling and I am also
25 mindful of what was discussed in terms of completion of evidence. I

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think it is probably appropriate to say from at least my prospective.

My own analysis of the balance of my evidence that it would be impossible to finish today, 100% impossible. If I carry on addressing the rest of my evidence in the same manner as I have been doing for the
5 last hour there is a possibility that I might catch a plane at 19:00 tomorrow night.

ADV SIBEKO: You do confirm the issues that appeared to be left out as per evidence would have tendered before the Commission?

DR YOUNG: Yes the reality is that there still cross-examination to go.
10 So that if anybody though that I was purposely cherry picking that I suppose there is another bite at that cherry.

ADV SIBEKO: Let us deal with ...[intervenes].

CHAIRPERSON: Just hold on Advocate Sibeko. I do not quite understand what Dr Young is saying. His statement is before us.
15 Whether he reads it into the record or not the statement is before the Commission. So what does it mean when you say that you say he is leaving out certain information or part of his evidence. That I do not quite understand. We have accepted his statement and he confirmed that he signed it. It is part of this evidence. It is just that he has not
20 expanded on that.

ADV SIBEKO: Okay.

CHAIRPERSON: It is not true to say that you know that he is leaving out certain of his information because of time constraints. When he gets the 19:00 to Cape Town tomorrow night or not this evidence, his
25 evidence is before the Commission. So may I just stop and clear that

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confusion. The fact that he does not read this paragraph it does not mean that it is not evidence before the Commission.

ADV SIBEKO: Do you accept that document?

DR YOUNG: I am seeing that, that has been brought up. I do need to
5 state for the record as I have said. That my oral evidence succeeds my
written evidence. If I differ in my oral evidence to my written witness
statement then the oral version takes precedence.

Also with regard to the Chairperson's observation about signing my
witness statement. I addressed this point particularly with I think with my
10 evidence leaders at my last working session with them. It was actually
my observation and my preference that I did not sign my witnesses
statement because I considered it as a aid memoir that is a point that
my evidence leader Advocate Sibeko actually made on one of the first
days. The persuaded me to sign it and if I may put it on record that my
15 signature there on the last page does two things.

It indicates the dates in which I have submitted it and secondly it is an
indication that it is my witness statement. It is not an indication that it the
de facto the truth the whole truth and nothing but the truth. It is on its
own accord without due cognisance of my own oral evidence as well.

20 CHAIRPERSON: Advocate Sibeko I do not understand this. Let us
proceed. I do not quite understand this.

ADV SIBEKO: Thank you. We are now at paragraph 468 of your
statement. The IPMS stimulator discussion. You then made reference to
your DT0473 which is our RMY98. Which appears from page 1869 I
25 see that is also part of the document. Could you begin your discussion

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there?

DR YOUNG: Yes in this case I need, it is a theme that I do not think has been addressed in my previous evidence. At least as a work up for my own for myself I need to kind of start at the beginning on this theme.

5 Not necessary at the very beginning but at least relevant for these proceedings.

On 21 June 1999 then Captain Kamerman wrote a letter in as far as I concerned it looked like the letter we talked about. I will... so as you correctly pointed out it is the letter at that particular reference and if you
10 want me I will pause to try to prove its authenticity and its origin.

ADV SIBEKO: Perhaps it would first help to state out how you got hold of this document?

DR YOUNG: Well as we can see right at the very top one of the indicators is it says IPMS 2 and from my recollection this means it was
15 an annexure to a transcript of an interview under oath with somebody. Normally it has a person's initials there but this one does not seem to have it. That is the only indication that I have but I am also from memory now I am pretty sure that this is a document provided to us either under Pie Act or a similar such exercise.

20 ADV SIBEKO: What matters do you wish to raise regarding this document in relation to the IPMS simulator?

DR YOUNG: I think I am correct in saying that my quotation from it seems to accord directly with the document itself. Now that I have the document in front of me it is written by then Captain Kamerman on
25 behalf of Department of Defence to the German Frigate Consortium.

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Now I need to say from the outset that we are no longer on the Corvette combat suite this is something to do with the platform, Corvette platform not involving Thomson or ADS it will be involving Blohm & Voss and the German Frigate Consortium at least in its earlier incarnation and
5 at least there is some small proof that I had been a participant in not only the combat suite even in this microscopic way.

Nevertheless this letter is headed, Request for quotation from C-Squid I-Squid for an IPM simulator and it starts off by saying the GFC offer for an integrated platform management system IPMS training
10 simulator was not accepted.

The SA Navy has progressed in considerable way that they developed generic integrated platform management system called Platform Management System Software with a local company namely C-Squid I-Squid in Cape Town. At this point this is recorded as my own
15 view my own memory of the true situation prevailing at the time.

It carries on by saying:

*"It is our intention to transfer key technologies to South African industries as part of the Patrol Corvette Program and where it is feasible and cost effective. The IPMS and associated technologies consider
20 such a system. Discussions with C-Squid I-Squid, (my co-director at the time Mr Gerhard Kruger or his correct pronouncement it seems that there is the diarises is Krüger.) Has indicated that a locally produced training simulator for Patrol Corvette IPMS is feasible and a budgetary quotations indicate that it may be the most cost effective solution to
25 obtain such a simulator."*

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This based on the same look and feel MMI as Man Machine Interface with the MECO IPMS but not running on local generic software... sorry running on local generic software.

5 *“C-Squid I-Squid was instructed to prepare a statement of work for and concept description of the iPMS simulator, IPMS Sim which now reflects the Navy’s requirements.”*

ADV SIBEKO: You mentioned further in your statement that on 23 June 1999 your company was requested to submit an offer for the IPMS system. How did matters go from there?

10 DR YOUNG: Yes that is correct. I am just looking that is correct. Just looking at the next document down and that is not the our offer, not our request for offer but be that as it may. That might come up later which certainly is a document that I have. Probably even one that I have discovered. It was on two days later on 23 June 1999 C-Squid I-Squid
15 Systems were requested to submit an offer for the IPMS simulator to Blohm & Voss memo the German Frigate Consortium.

It looks like the very next day we indeed dually submitted a quote to the GFC for the IPMS simulator in the amount of this is rands the R has been left out there. For R4.985 million. The document to which I refer
20 is the next one indicated in my paragraph 471 and that letter is dated 29 June 1999. Something that I am realising now although that date came later than the Project Control Board meeting of 8 June 1999 as I indicated before.

We need to open this letter again. We have seen in RMY10 which
25 was at the beginning of my evidence I need to open it again.

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ADV SIBEKO: RMY10 is at our page 131.

CHAIRPERSON: Page?

ADV SIBEKO: Page 131 in RMY10 in File 1.

DR YOUNG: Thank you. As this letter says. It is entitled Project
5 Control Board Decisions regarding the Project Sitron technical baseline
and says:

*“At a meeting recently held regarding the selection of mayor products
and new suppliers the Corvette program the following were selected.
See attached lists for all supplier concerned of the above decision.”*

10 Hopefully being a supplier on the list hopefully that would have given
me personal knowledge thereof. As I have said the decisions that were
recorded here in the annexure to this document can actually be
categorised into two different categories as I my evidence on the first
time that I traversed this matter stated clearly.

15 The decisions made the at the Project Control Board either emanated
from the Project Control Board itself or in fact mainly were ratifications
from decisions made at previous Control Boards I think mainly in May or
April. Be that as it may that was in respect of where there were
competitive bids. Where there were not competitive bids and basically
20 there had been selection of whether one wants to call them preordained
or nominated or candidate suppliers where there was only one
candidate. The instruction was in those meeting and there was that
meeting of 8 June was that where there was no competition the project
officer was instructed to advice the chief executive of Armscor. The
25 identities of those sub systems and they are indicated in these tables.

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The only particular one that I want to address in this particular context is the last one on my page 305.

ADV SIBEKO: That is at page 133 of that document.

DR YOUNG: Yes that is correct. it says there IPMS simulator
5 C²I²(number 1) I think that I have said this before. But C²I² in my view
is the same as C²I² (letter I) or C-Squid I-Squid or CCII systems.

ADV SIBEKO: Something the happened after this letter was issued
apparently by Mr Swan from Armscor. Tell us about that?

DR YOUNG: I would not use the term apparently I think that there is no
10 questioned about it that it was issued by Mr Swan and the important part
of that is that he is the Chief Executive of Armscor. In terms of MODAC
he represents the Armscor Tender Board which is responsible for that
kind of acquisition practice.

Nevertheless be that as it may despite the German Frigate
15 Consortium and hopefully Blohm & Voss being advised of those
selections they waited a whole year until 30 June where they request a
validity of the extension of our offer. Then again without traversing any
details I cannot remember them in the interim period again they asked
an extension of our validity until 30 June and then another extension
20 until 30 March 2001.

Now of course we had submitted our quote which would seem on the
face of it accepted by the relevant party at least Armscor even with the
Project Control Board who was not a truly a decision making board that I
think is now irrelevant in that Chief Executive of Armscor has actually
25 validated that selection. Validated that selection on a process outside of

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the Project Control Board. So it need extra emphasis indeed.

Nevertheless as I state in the beginning our offer was done on the basis of a scope of work and other what we would call it baseline requirements that we were asked by the DoD to draw up and obviously
5 they accepted that because it says that this had now become their requirement. Nearly two years later 19 February Blohm & Voss supplied us for the first time with their detailed requirement specification. They requested us to supply a largely final offer by 2 March. Which we did after us asking for an extension of three days.

10 Nearly a year later in fact over year later we were finally informed that we were not awarded the IPMS simulator contract. Now this is relatively small it is small potatoes in legal speak. It is only R5 million but it certainly shows the interesting acquisition procedures that were at play at this stage. Just to show the independent indication that it looks
15 like three or four of them documentary type indications that we were selected.

The first one is somebody who I necessary would not call a colleague or even a friend or maybe the other way around is Pierre Moynot of ADS who I am being frank who were at the stage an antagonist. We were
20 antagonist of each other. By 26 July he states in a letter to my attorneys which I do have in front of me. I see it is written too ...[intervenes].

ADV SIBEKO: It is your DTI0503 is that correct our RMY99 which appears at page 1911?

DR YOUNG: That is correct yes. This is a letter that is written to my
25 attorneys at the time Herald D and Rawhead attention of my particular

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attorney Ernest Whittaker from Pierre and Meiring. In fact it was... this letter from ADS was a response to a letter an attorneys letter. Sorry. Simply asking them what was the situation regarding the NDS referred to the first bullet point there and I think the second bullet point refers to
5 the IMS. Nevertheless for the purpose of this particular part, this particular theme he says in the third bullet point:

“To my knowledge they have also been selected as preferred supplier for another sub system part of the platform as sub contractor to GFC.”

Now this can only refer to the IPMS simulator because we were never
10 asked for a quote on any other sub system and we never submitted a quote or an offer for anything other than our IPMS simulator. So here is an indicator to somebody who is certainly by this stage part of the consortium not necessary part of the GFC. I apologise for the noise here. But certainly part of the consortium with the GFC so he would
15 have had inside knowledge of this.

ADV SIBEKO: You then proceed to deal with the evidence that was given by then Captain Kamerman in his testimony to SCOPA regarding this issue on at a hearing of 2010-10-11?

DR YOUNG: Yes. It might seem that this is a document that we have
20 not included but I am pretty sure it is a discovered document and certainly if I do not refer to it later and it is not a document in the evidence bundle I can or we can certainly find it in the discovery schedule and I am pretty sure that it is a pretty long document. At some stage at least we can make the requisite number of copies. I was at the
25 SCOPA hearing myself being held in Parliament and I heard those

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words with my own ears as far as I can remember.

Also his testimony there was clearly this is the point in the end of 2000 which of course he was testifying regarding the state of facts as they existed that time and not as I have just alluded too before as things
5 have actually transpired a whole year later. Well not a whole year later but in April 2004, six months later. Nevertheless at this stage clearly Captain Kamerman's evidence again was correct because he obviously knew about this. They said they are also critically involved in the software development of the machinery control system.

10 Now without analysing this hearings or whatever it is. My statement is a little bit bold at this stage. Having been there and having been involved. The machine, the only machine we controlled system and software development that were involved in, in terms of the subject of the SCOPA hearings which was the SDP's in general and the Corvette
15 acquisition in particular involved the IPMS simulator. So it can only apply to that.

ADV SIBEKO: At paragraph 477 you deal with a draft Project Sitron Contractor Supply or security plan. Where C-Squid I-Squid is referred to as the contractor for the supplier of the IPM. I believe that is your
20 document 0709 which is supposed to be our RMY100. Perhaps before you respond to that Dr Young I just need to draw the Commissioners attention that RMY100 was inadvertently omitted from the bundles. It is presently being copied. It is a 35 page document. We will include it in the bundles during or as soon as they are ready.

25 The relevant section of that document would is included in the

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paragraph that the witness will be talking to shortly.

DR YOUNG: That is correct but for the correct logic and maybe chronologic and although our RMY annexure numbers may be slightly out of quilt in this specific instance. I certainly have a reference 477 of
5 RMY102 so that might come up again a little later. Nevertheless the document precede so if I may ask.. this is going to be a hard ask unfortunately because it is just one page that I want to refer to out of the umbrella agreement. That my evidence leaders asked me to annexed the entire document because it is relevant in more than on context. I
10 just want to refer to one page. It is 384 page document.

So it might be even it certainly takes up one lever arch file somewhere so if I may ask that we address this one first rather than the contracted security plan.

ADV SIBEKO: Dr Young are you referring to the document you referred
15 to as annexure RMY102?

DR YOUNG: That is correct with the discovery schedule reference of DT1/0568.

ADV SIBEKO: RMY102, Chair and Commissioner Musi and colleague appears in File 6 and it starts at page 1917. For purposes for what the
20 witness seems to rely on we have only copied the relevant parts of that document.

ADV KUPER: We do not appear on our side to have a File 6 at all.

COMMISSIONER ADJOURNS

COMMISSION RESUMES

25 RICHARD MICHAEL MOBERLY YOUNG: (s.u.o.)

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ADV SIBEKO: Thank you Chair for the indulgence. Just one or two matters of housekeeping. The first one would relate to the document which was provided it I think it was the day before yesterday and then copied the day before yesterday it was provided and yesterday it was
5 copied after the witness dealt with it. If you recall it was the letter from the Public Prosecutor's Officer of [indistinct] relating to the preliminary criminal investigation of your client Jan Gesin.

This documents or copies thereof have been distributed and I saw that the one witness was referring to this document earlier this morning.
10 It was just a loose document which does not form part of any bundle. We have decided for purposes of the record that it forms or it becomes RMY151. It will follow on the documents that are in File 7. It will be numbered just after the last page there this will become the first page thereof will become 3037.

15 Then there is the document which had been inadvertently not included in the bundle that was RMY100. That will go into File 5. Now that will come in just after RMY99 which is at page 1911. Now it would then become if numbered correctly and in order not to upset the number that already is in the papers it will be 1911 starting at A following
20 it was 35 page document. It will be 1911A and end at 1911(ii).

CHAIRPERSON: Thank you can we continue with the evidence.

ADV SIBEKO: That is the documents that has been referred to at the end of his paragraph 477 of his statement. We have the documents before you?

25 DR YOUNG: Yes I do. Sorry are you talking about the contractor

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security plan or the other one?

ADV SIBEKO: Yes, I am referring to the contractor security plan.
RMY100.

DR YOUNG: Yes, I do.

5 ADV SIBEKO: The relevant portion of that document dealing with the theme that we are dealing with here is, do you have a copy of the document?

DR YOUNG: I do yes. Just remember that I actually wanted to deal I think with 102 before 100.

10 ADV SIBEKO: Okay. Yes. 102 is in File 6. It starts at page 1917 you may proceed.

DR YOUNG: Okay. This particular document I have the 384 page version in front of me. It is a ...[intervenes].

ADV SIBEKO: Have the Commissioners found the relevant document?

15 COMMISSIONER MUSI: It is just differently marked on our documents. Differently numbered. But he have got it.

ADV SIBEKO: RMY102 Commissioner Musi, it should not be differently numbered. It is supposed to be the same document. Page 1917. File 6.

COMMISSIONER MUSI: I am sorry I though you are talking about
20 RMY100.

ADV SIBEKO: I apologise.

DR YOUNG: I have my PDF page 200 out here in front of me. If you have only got one so page. It would be the annexure A part, 6. Annexure A is the building specification for the Meco A200 SAN and
25 part 6 is with reference to the IPMS simulator.

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ADV SIBEKO: What the witness is referring to appears at page 1922 and 1923 for the record. Yes you may proceed. I believe this document has been entered into the record.

DR YOUNG: I will accept that. Anyway as I said, it says part 6, IPMS
5 simulator. Importantly for the record this is a document that I received from the DoD under Pie Act. It is a complete extensively a complete umbrella agreement.

As I have said before and I need to mention again in this context the judgment and the order gave no direction or mention or reduction or
10 severance. I am have been asking for this particular part of the umbrella agreement for several years now. Both of them to the Pie Act as well as the context of this Commission of Inquiry. A specific document that I refer to and it has never been provided to me.

Be that as it may I have to deal with what I have and also what I do
15 not have. What I do not have is the pages clearly following part 6 because the very next page I have is annexure B without anything in-between these obviously had pages. Nevertheless we are talking about 3 December 1999 umbrella agreement. That comes after the selection by , in terms of the letter of the Chief of Armscor and it comes later than
20 the other items of evidence.

So certainly if there is a selection by the Armscor or DoD in fact at the directive of the Project Control Board of the project officer to provide this information one would expect that the GFC to whom this letter was directed would have included the IMS simulation the one that we
25 quoted. That is all of this umbrella agreement has to say in this regard.

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I will pause there for an instance while I get to and we all get to the next relevant document which is RMY100.

ADV SIBEKO: As pointed out earlier Commissioners RMY100 is in File 5 page numbers there are 1911 starting at A. Chair the documents does appear. They are erroneously marked as 1910. It ought to be 1911 following on RMY99. You may proceed.

DR YOUNG: Just to address the authenticity of the document I only really want to address on line. If we look at the very first page unfortunately the document is a security classification of confidential. 10 Which is suppose being a security plan would make sense to some at least. It is also stamped with the stamp of ADS registry being the entity whom handle the documents and it was them, ADS who provided this document to us because it was in the context of the entire Corvette and the combat suite and it does mention the IPMS simulator as well.

15 As importantly although this document status is indicated on page 1 as draft it has a date of issue of 20 January 2001 which is quite a long time after the umbrella agreement was signed and even longer after the DoD and Armscor has made their selections. Taking myself to my bookmark under IPMS simulator which on my page 10 of 35 I will maybe 20 pause there to make sure that everybody is on the right page.

ADV SIBEKO: Now that would be 1911 for the record. Now that has gone to type page 10 of the document.

DR YOUNG: That is correct, 10/35.

ADV SIBEKO: Yes what point?

25 DR YOUNG: In the table above there item 438 is the IPMS simulator

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and indicating the sub contractor as being the following three parties. Siemens; FRGB Germany and South Africa combination of those and C-Squid I-Squid RSA. I just want to point out that here is another documentary indication that the IMS simulator was part of the baseline
5 and it just had to be if it was in a document of this nature at this particular point in time.

ADV SIBEKO: It had become apparent that C-Squid I-Squid was de-selected in respect of IPMS simulator. Something was mentioned at the time by Admiral Kamerman before JTI0487. Would you like to deal with
10 that with your DTI0487?

DR YOUNG: Yes it is probably appropriate at this point to say that the point that I am going to come to next is what he said in respect of the IMS simulation at the Public Protector's Hearings. I think it is appropriate that this issue is also addressed by him in his evidence
15 before this Commission. I have another few that we knew from my witness statement as my responses to his evidence. I think it would be appropriate that I deal with it now while the issue is fresh in our minds and in front of me here.

There are of course two ways that I could deal with it here under the
20 theme IPMS simulator or I can deal with it there under the theme of my response to his evidence. But with the imperative of going forward as fast as possible my own view is that we would deal with it quicker dealing with it now. So I will wait for a directive from my evidence leader and the Chair in that respect.

25 ADV SIBEKO: I think we are dealing with that subject matter already we

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can just for purposes of completeness just deal with it now.

DR YOUNG: I think that is a good idea. I do have the correct witness statement and paragraph numbers here right in front of me. It will be paging forward a little bit but at least I have the correct hard coded
5 numbers. Hopefully we can get there and get back again. I do not have to go there because I have copied them.

Nevertheless with that direction I would deal with first if I may say maybe my interaction to the sub theme was my paragraph 478:

10 "It was clear that C-Squid I-Squid Systems was de-selected and also at a very late stage. Why I say that is that my point is that we had been selected and clearly we were not at the end so it must be that we were de-selected and it certainly happened several years later. What then Captain Kamerman or Admiral Kamerman said at the Public Protector Hearings is that he says under oath that I am now ...[intervenes].

15 ADV SIBEKO: Just perhaps to enable us to find the page. That transcript is what we have dealt with earlier. It is RMY95.

DR YOUNG: That is correct.

ADV SIBEKO: It starts at page 1765 of the bundle of documents in File
5.

20 DR YOUNG: I have got two quotations here. One indicating page of the transcript as 1215 and the second one as page 1217.

ADV SIBEKO: The typed page 1215 corresponds with our numbering 1818. Can you refer to the line where the quotation comes from. If you go to line 10 of that transcript.

25 DR YOUNG: Okay. I do not have a bookmark there so it will be quicker

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just to use my witness statement if that is okay.

ADV SIBEKO: Yes your witness statement is taken as from line 10 our page 1818 and the typed transcript page 1215. If you look at line 10. It starts with sentence:

5 *“But I am now going to come to the fact the he alludes that the IPMS simulator was selected by the state.”*

DR YOUNG: That is correct. I will read it again for my own evidence.

“But I am now going to come to the fact the he alludes that the IPMS simulator was selected by the state.”

10 Then he goes on to say:

“That letter (I am not sure exactly which letter I suppose we can work that out) however was in no way a selection by the state.”

ADV SIBEKO: That passage appears at typed page 1217 of the transcript corresponding with our page 1820. It starts at line 11.

15 DR YOUNG: It reads:

“That letter however was in no way a selection by the state or a prescription on the main contractor. It was merely a suggestion that the main contractor considers C²I² as a potential supplier.”

I think what I do need to say is that what I have just traversed before
20 clearly shows that there was indeed a selection by the state.

ADV SIBEKO: In your theme of dealing with the IPMS simulator in terms of evidence that was presented before the Commission as it proposed to round this off for purposes of completeness. Would you like to refer to paragraphs in your statement when doing this?

25 DR YOUNG: Yes. I prefer in here this is a direct copy from the point in

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my own witness statement starting at 717. Should I pause there and just make sure you are all there?

ADV SIBEKO: 717 appears on page 185 of the statement?

DR YOUNG: As I said I am referring to his evidence to this Commission
5 and I have that in front of me. I am not sure how we deal with it. My understanding transcripts of witness previous witnesses are on the record. I have not discovered that document.

ADV SIBEKO: What is it that you want to say regarding the evidence of Admiral Kamerman before the Commission?

10 DR YOUNG: It is not much as I have said in my 717 is that I dispute the allegation that we lost the IPMS simulator on the grounds of performance price and time scales. That is something that Admiral Kamerman testified on page, which is recorded on page 6181 of the transcript of his evidence.

15 As I have said before my paragraph 718 it was three years later in 2001 when we were asked for another quote. Then we applied by the 30% increase which was quite normal and justifiable and for that period of time the issue my when my directions Alistair Knight being overseas on a courtesy visit to Blohm & Voss attending a meeting. I do not need
20 to ventilate in that great detail.

However he did attend that meeting and he was bulldozed into attending a meeting for which was not prepared and I did not know about. It was on this basis that there was some indication that we had not done what is recorded, well he was forced to concede that we done
25 any work on these type of simulators which is we had not, however

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there was no concession that there was deficient design that is what Admiral Kamerman alluded to in his evidence. Certainly his own evidence it says which I traversed just before tea that we indeed had been working on the IPMS simulator, not the IPMS simulator but IPMS
5 and that is why we conceded when we work on the simulators we were working on the technology of integrated platform management systems.

Then of course the relevant software so whatever reasons were used there were either not true or certainly not relevant. As I have said in my paragraph 720 however we had been working on IPMS technology,
10 software and consuls for several years and even been selected by Armscor to lead the industry group on the IPMS technology. Hence we were ideally placed for this relatively simple non mission critical thing like a IPMS simulator.

My paragraph 722 is the allegation that we lost because of deficient
15 design, high price and that. That was news to us. It was never communicated to us at the time by anybody proposed late delivery was based on the fact that we could not deliver when the contract was not placed. As I have said before despite us being selected into 1999 we were only supplied with the first Blohm & Voss requirement specification
20 I think it was 2001.

So is difficult how a conclusion can be made that our deliver was late. Of course not only did that requirement specification come late. Of course what was contained in it was also a factor. it was there would have been some diversions of what we have quoted and what was
25 required. So that would have led to both time scale implications and of

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course cost implications. Of course I also find it surprising and if I might ingenious for Karmerman to say that they, they that is C-Squid I-Squid could not place the risk in the hands of 20 man company when C-Squid I-Squid had been led to believe that ... I have actually copied one
5 paragraph to many. So that applies to the IMS I apologise for that.

If I may turn just to complete the point to what was actually said in the recordal of the evidence at these hearings. I will pause for a moment there.

ADV SIBEKO: Can you just provide us with the page number of the
10 transcript that you are referring too?

DR YOUNG: Yes it is page 6180 and it starts at line 15 which included the word IPMS simulator.

ADV SIBEKO: Yes.

DR YOUNG: He refers to IPMS simulator and he says:
15 *“He leaves at that stage (he being me) he leaves [indistinct] out this allegations now.”*

Of course it is quite significant because that allegation in the subsequent debunking of it in public would have otherwise led to the conclusion anybody reading these allegations that there is a distinct
20 hostility between and GFC as well. That is another chapter completely but in fact we organised him we introduced him to the German Frigate Consortium as a candidate for IPMS simulator. However it was entirely in their hands to select or not select him.

I think I can stop there. There has to be a untrue because clearly it
25 was not in their hands the GFC's price was too high or was not accepted

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and based on what I introduced in the subject two on the Navy or the DoD specific instigation they first of all they did indeed introduce us and the whole reason of technology, technology transfer and technology retention. Clearly it was not left in their hands. The selection was made
5 by Armscor.

The next point is on top of page 6181 I have talked about that a little bit before but he carries on and he says had he lost on the grounds of performance, price and time scales all the three. Now that just cannot possibly correct whether it was price. I am sure that there was a 30%
10 increase in price prevailing in those very inflationary times. Over a three year period and a change of technical baseline. A 30% price increase over that period was not and was fully justify and fully transparent in terms of number of man hours and man hour rate increases et cetera.

Performance I am not quite sure what performance it cannot possibly
15 be contractual performance because the contract had not been issued so we had not started yet. If it was the performance that we were offering that has to be in terms of a baseline of a contract. Sorry not a contract a specification as we can see GFC changed or re-issue its contract and our quotation was based on the statement at work and a
20 concept description as we have been described for.

Certainly nothing had changed and time scales. I think it is alluded too I am not going to try and analyse the details now. I [indistinct] unless I get ask to but I think the relevant time scales were for the delivery of the first frigate in it was initially round about 2003. It
25 eventually happened in 2005 for another reason but certainly if we were

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only beginning to finalise the contract technical baselines 2001 we quoted three years to do it, of course we have all that information. It would however be unfair to say that we failed, we lost on the grounds of time scales because this was never been told... time scales so it is an
5 unreasonable conclusion to draw for the purposes of these hearings.

ADV SIBEKO: Just an administrative issue Dr Young. Our transcript of Admiral Kamerman' evidence starts at page 6241. Would you be able to explain how your numbers are?

DR YOUNG: Yes, I can and thank you for giving me the opportunity to
10 do so. The only way in which I was initially able to come to possession of the transcripts was by means of the famous Commission websites. I downloaded that version.

As I have said before and at these Commissions quite a number of the printouts of those transcripts including my own as far as I know. I
15 was actually looking at Mr Esterhuysen's one and my very own ones are actually more or less useless for my purpose because they have spaces in-between the alphanumeric characters. So you cannot do a search. So I sent an email it is on record to Advocate Nbumbe who I see is here and I think I have that particular folder in front of me.

20 CHAIRPERSON: Advocate Sibeko, I want you to try and expedite that. Let us leave what are administrative problems that Dr Young alleges to have had. Let us get on with the evidence.

DR YOUNG: Okay. I do not want to have the last word. But, he said to me the word version, which I printed to pdf and it prints out those
25 numbers, itself. There were, there certainly was some serious

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numbering problems in the entire recordal of all the transcripts, as well.

ADV SIBEKO: Yes. I am sure that we will find that the right pages. Is that all you wanted to say, with regard to IPMS simulators?

DR YOUNG: No. I, I think I have come to the end of my point under
5 IPMS simulator.

ADV SIBEKO: Alright. That will now bring us to the issue of the revolving door allegation that you deal with at paragraph 483 of statement. It does touch on the document you started to refer to at RMY 102 just a short while back. Would you like to take us through the point
10 that you are developing there, at 483 and 484 of your statement?

DR YOUNG: Yes. I think it is, was incumbent upon me, in terms of, at least my view of the regularity in terms of the umbrella agreement and the contract in which I was involved, to bring it to the Commission from slightly different perspectives, which have been ventilated before, which
15 is what I would address. I think it is common cause that Admiral Kamerman resigned from the Navy as its Project Director and joined the successor in title of a company in the German Frigate Consortium, which was a member of the European South African Consortium that was party to the, or at least its members, the party, signing the umbrella
20 agreement. The umbrella agreement has an interesting heading, called remedies in the case of bribes. I am not saying that this involves a bribe. All I am saying, it falls in the same heading, what may or not be contractual applicable. But, nevertheless, it is just the facts, which I want to present. As I have said, it seems as though he resigned from
25 the Navy in July 1996. I think, it is important to point out for the record

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a, something which I probably had read that the German investigating report, I think, actually said that he joined TKMS in January 1996. I stand to be corrected, if I am wrong. But, if I am not wrong, then of course, then it has some relevance. In any case, TKMS is an
5 amalgamation of at least, some of the companies within the GFC and the GSC, in my view, it seems to be a fairly, if I may use the term stark side, so I suppose I should leave it out now. A stark example of the practice of the so-called revolving door and that is, what, in view, is specifically prohibited, in terms of the Corvette umbrella agreement,
10 without the written approval, as it says, of the Chief of the South African National Defence Force. Maybe I need to say, I think, it also carries on to say or his deputy. Anyway, it is on the record that no such approval was given, certainly not by the Chief of the SANDF, nor by the Deputy Chief of the SANDF, who I think, does exist, certainly, in terms of title. I
15 am not sure when one was appointed. But, nevertheless, I have referred to the umbrella agreement and I think, maybe I, if I may, I may just read out what I have said here, without actually going to it. I do have it in front of me, but it is quite a lengthy document and I might take a little bit of time finding it. So, I will just pause there for a instance.

20 **ADV SIBEKO**: What document are you looking for?

DR YOUNG: Right now, I am looking at my paragraph 484, which has got a reference to the umbrella agreement, which we opened up, just now, in respect of the IPMS simulator. I think, I ...[intervene]

ADV SIBEKO: That was for RMY 102 and it is at page 191. It is your
25 reference 0568.

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DR YOUNG: Okay. Thank you. Now, you have given me time to click on my bookmark, in this 384 page document. I have the entire document in front of me, other than the missing pieces. But, in any way, it is my page 54, paragraph 19, which is, we would have had, page 52 is the number in the bottom, middle of the, the document.

ADV SIBEKO: You mention in page 485, that in his evidence before the Commission, he mentioned that he did not need that permission.

DR YOUNG: No. May, I am not quite, quite saying, maybe that is a view that could be interpreted. But, that, what I, I think, what I want to traverse is that, or I think, his evidence is that his permission was signed, by the Chief of the Navy. That is one point. I do not, I do not think that it is a reasonable, certainly, an inference to say that the Chief of the Navy is the Chief of the SANDF's deputy, unless the Chief of the SANDF actually delegates, deputises for him. But, of course, his evidence is that automatically, the Chief of the Navy is his deputy or in, automatically, in respect of all flag offices. I, I am just stating that. I am not allowed to, to make interpretations or conclusions. So, I am just going to state that, as unborderly as I may, for the moment.

ADV SIBEKO: Now, there is evidence before this Commission that, I believe it was from former Minister Lekota to say that the commission that was granted to Admiral Kamerman, was a valid commission and that he could, despite the terms of the agreement that you had referred to, he could take up the position that you referred to. Do you have any comment to make, if any at all?

DR YOUNG: The only comment I would make is that I did not make

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these, or give this evidence either lightly or baldly or without doing the subsequent, oh, the, no, the necessary research. I will state, for the record, I, I certainly did not ask the Parliamentary question and neither did I, that I participated at all. It is just something of which I became
5 aware. But, anyway, I just do find it interesting that a witness to this Commission, certainly, when he was a Minister and Member of Parliament, his, at least documentary evidence at that time, was not aware of the Chief of the, or if giving, giving that written permission. Be that as it may, I have to be quite honest. I have not traversed Minister
10 Lakota's evidence in great, great detail, for, for my purposes now. But, I seem to, I did, I certainly looked for it and I cannot remember it, being traversed in either greatly or certainly not sufficient detail for my purposes. But, I think, we have skipped over something important. So, I do not, I do not, I just want to go the, so I can close this particular
15 point, appropriately.

ADV SIBEKO: And that is?

DR YOUNG: Yes. We had not actually come to the relevant part of the umbrella agreement and if I may do so, because I have actually pointed out where that is now. I am just reading from my own witness
20 statement. I did have the document in front of me, at the relevant place, which I am now, now lost and I have now found again.

ADV SIBEKO: Is that the paragraph 19.2, the 19.2.1 of the document you referred to, at page 1921?

DR YOUNG: That is correct. The heading of that section starts on
25 the first page, but I wanted to go onto 19.2, which is on the next page.

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ADV SIBEKO: What page are, would you like to go to?

DR YOUNG: Page, it is page 53. It is page 53 in your, in the document.

ADV SIBEKO: Yes. That is our page 19 to 21 that I referred to there.

5 That is where you will find paragraph 19.2 and 19.1.

DR YOUNG: That is exactly correct, which I am now going to read out from my witness statement, because it is a bit easier to read. Anyway, it says:

10 *“The seller and each of its members, shall not, for a period of eight years, from the effective date employ any employee or former employee of the South African National Defence Force or Armscor, who is, or was in any way involved with the agreement, without the written consent of the Chief of the South African National Defence Force or the managing director of Armscor, respectively or their deputies.”*

15 That is where I wanted to ...[intervene]

ADV SIBEKO: Now, having regard to what you have just read from your statement, how do you then relate, what you said in paragraph 485 of your statement to the terms of that agreement?

20 DR YOUNG: Okay. Maybe I just need to pause to actually go to the pre-cursor of that and that is that it is under the remedies, in case of bribes. It says:

“If, if the seller or any of its members or representatives, in relation to negotiating, entering into or execution of the agreement has carried on.”

Okay. No, maybe I am repeating myself:

25 “Or was in anyway involved with the agreement.”

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Okay. Those are the important points.

ADV SIBEKO: Now, can I direct your attention to what is set out in paragraph 19.3 of the document you are reading?

DR YOUNG: Yes. Thank you. Would you like me to read it?

5 ADV SIBEKO: Just consider it and, and perhaps then, reflect on the statement, you wanted to make, regarding the contents of 19.2, 19.1 and what is set out, in your statement at paragraph 4.5.

DR YOUNG: Yes. It is very simple, it just says any employee who is, or was in any way, involved with the agreement. That, I think, that is the
10 pre-cursor for the point that I wanted to make. That is in the evidence at my, at my point 485:

"In evidence before the Commission, Kamerman testified as follows. I did not need that permission of course, because I am not party to the supply terms."

15 What he says at, certainly at my page 6073 of the transcript of his evidence. So, I just wanted to put that point in context.

ADV SIBEKO: Ja. And what is that?

DR YOUNG: Basically, what he is saying is that he had no, he was not bound or was not regulated. His conduct was not regulated by, in
20 terms of the umbrella agreement, because as he said:

"I was not party to the supply terms."

But, clearly, if one just looks at the record, he tenders his cv, which I think, is I think it is the first annexure of his witness statement and I have that as my RMY 103.

25 ADV SIBEKO: That is at page 1924 of the bundle of documents.

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DR YOUNG: That is correct and I am looking at the second page of two pages. Just above the point, it says, later career 2000 to 2014.

ADV SIBEKO: Yes. What about that?

DR YOUNG: What he says here is:

5 *"In 1998 I led the execution of Project Sitron and Project Maulstic RFO phase, leading to the evaluation process for the military value components for the selection of the preferred suppliers of the patrol Corvette and maritime helicopters. In late, in late 1998, I authored the patrol Corvette combat suite user requirements specification, URS, and*
10 *in 1999, I co-led the technical negotiation for the patrol Corvette contractual base line, which form the technical basis of the supply contract for the patrol Corvettes."*

I want to emphasize technical negotiations with the technical basis and the supply contract. The supply terms and the supply contract have to
15 be either the same thing, or to all intents and purposes the same thing. Just as the technical basis of the umbrella agreement as, what I think, in, it means to refer. There are the technical terms of the umbrella agreement on the supply terms.

ADV SIBEKO: So, you, the, the point you make, exactly, is
20 summarised in the last sentence of your paragraph 40, 487 where you say:

"He was intimately involved in all matters, including the scope, supply, price and the selection of subcontractors to the GFC, which ought to have disqualified him, from taking the employment."

25 DR YOUNG: Yes. Maybe to put in my words, yes, I would say, what

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we have, I have just addressed in front of us, as well as my evidence, for the last, maybe in about six days, shows his involvement, not just drawing up the supply terms and technical terms, but being deeply involved in all of the negotiations with the GFC. In particular, Blohm and
5 Voss supply terms, changing the supply terms. Every single aspect, you can think of, involving the supply base, the supply terms base line, he was involved and yet, here it says, I did not need permission, to have permission, of course, as an individual of course, because I am not party to this. Now, he cannot, no, I suppose I cannot give an
10 interpretation of what that part means.

ADV SIBEKO: So, with regard to the consent in terms of which, evidence has been placed before the Commission that he was give, to take up on this employment, you, you have nothing to say, in order to gainsay that? I indicated earlier on that there is evidence before the
15 Commission that Admiral Kamerman was given consent, by the DOD to take on the employment, with these new employers. Do you have anything, any comment to that?

DR YOUNG: Yes. I think, maybe your term DOD is probably, strictly speaking incorrect, because the, the permission was given by the Chief
20 of the Navy, who works for the SANDF. It is a different pocket, a different division of the Ministry of Defence. So, that is one, one point. I think, you know, it might be correct that he got permission from the Chief of the Navy. But, my contention is, the Chief of the Navy is neither the Chief of the SANDF nor his deputy, in the normal, or at least in my,
25 my own view of an interpretation of his deputy.

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ADV SIBEKO: And you cannot take it any further than that.

DR YOUNG: No.

ADV SIBEKO: Anything else you want to deal with, regarding the revolving door? Or do you want to proceed to allegations of corruption,
5 relating to the conventional of the submarines?

DR YOUNG: Yes. We can come to that next theme now.

ADV SIBEKO: Okay. And the conventional submarines are another aspect of the SDP's that you had some involvement in, albeit small.

DR YOUNG: That is correct. I am not a complete outsider. I certainly
10 was, was an insider in a, in a, because I can see it a relatively, a mile away.

ADV SIBEKO: Now, you start dealing with the allegations of corruption, relating to submarines, as from paragraph 488 of your statement. Do you have it in front of you?

15 DR YOUNG: Yes. Of course, I have to build up to, if I make, in the heading, I suppose, unlike contracts, where headings might not necessarily form part of the, the, here my heading is on the record as allegations of corruption, involving a conventional submarine. So, I need, I need to put this into a context, which I am trying to do in those
20 few paragraphs. But, I think it is relevant to say that I was a member of the SA SUBCA, which means the South African Submarine Cluster and that is a nickname for it. That was, involving all aspects of the submarine and not just the, not just the combat suite part of it, the combat management system part of it. So, certainly, at that stage, I had
25 fairly, fairly good knowledge of what was happening at the time. I think,

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indeed, this is fairly well, what is the right word, the JIT reports, basically also showed that certainly, I can say, is that the GFC was simply not a prime contender at all phases of the acquisition process. I do not even think, from the beginning. In fact, my own view was in fact, well, I am, I

5 certainly did not formulate my own view. My own, I was not at that level, but the GFC submarine was effectively coming fourth, through much of that acquisition process, until pretty close to the announcement, by Cabinet, in, I think it was 18th of November 1998. As I said, it is either

10 last or second last and lo and behold literally a few days before, as I say, it moved into first position. So, there had, clearly has to be some reason for that movement, whether that movement is [indistinct] or not, it is certainly interesting and certainly no waste of time, to even consider. Certainly, in the light of the evidence, which I will present and I mainly present to the German investigating reports, the first one in particular.

15 As we know, from the Chairman's own statement, hopefully that is a bona fide document. It is certainly one that I did not manufacture myself. That also, records, as clear as daylight that the German investigating authorities seized documents, with regard to a member of the German Submarine Consortium, in particular Ferrostaal. Their head

20 office is in Essen in Germany, which recorded the documentary records of the payment of bribes. I remember an amount of 90 million US Dollars, I think. Then, there were two amounts, I think that they were two different amounts, although they seem to be the same value in Euros, something like 6.603 million Euros. I think they were different

25 amounts. But, certainly it would seem that. I have not done the same

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arithmetic analysis, as I have done for the frigate, Corvette selection. As I went through these little [indistinct] a couple of days ago, but I think it certainly would be a valuable exercise. I can remember looking at it and I think my interpretation is, at that time, is something, something
5 looks fishy here. But, I, I cannot say that right now. But, what I can say is, if anything comes further of, of these, this evidence in these investigations, it is something worth looking to, because it is, the devil is in the detail and the scores in the value systems are that detail. Again, what I do know, in fact, I, yes, what I do know is something that I would
10 hopefully have time to address. It is a on the record document. I will state it for the record right now. From transcript of an interview under oath, from the project of Sub-Captain Andy Reed and unfortunately, it was only provided to me by the Commission the, during the last work session with my interview leaders, that is the Thursday and the Friday
15 of, I think it is a week before last now. Seeing it was on the Corvette deal, I did not even address it, until I think, the weekend. But, I do have that document and when I get chance, doing so, I think that there is fairly graphic evidence of something, let us say, abnormal, regarding the acquisition process, to put it as, ja, as relevantly, as I need to for these,
20 these particular, the evidence I wish to give right now. But anyway, without belabouring the detail there certainly is something extremely interesting, regarding the evaluation of the scores, involving the price. One particular aspect that is ventilated in some of those documents that I only got three weeks ago, involves the integrated logistics support
25 component of this particular price. It would seem that the, the low

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pricing, unreasonably low pricing for that, actually ends up in giving the German Submarine Consortium a very high score, in terms of the military value. I think that is the prices for the moment. That, indeed, I refer in my paragraph 493, it is also relevant in this regard to evidence
5 of Davis Erasmus, senior manager of the logistics division of Armscor, who was so concerned about this aspect of the evaluation awarded to the GFC. He actually wrote a, you know, a risk report on the matter, as well, withdrew his involvement as a member of, of the team. I can say having then, I knew about that, looking at the documents that I received,
10 there is certainly reference to that. Unfortunately, there is not a copy of the risk report, or even its date. But, one can contextualise it, in terms of the relevance and the date, in respect of Captain Reed's evidence and it would also seem that there was also a document, another, another similar report, by another member of Armscor, called Anton
15 Jordaan, who also withdrew his involvement from the submarine acquisition process.

ADV SIBEKO: What, what is the source of the information that you were supplied, at paragraph 493, of your statement?

DR YOUNG: Yes. It is the transcript of the interview, under oath with
20 the JIT, way back in middle 2001, with the Project Officer Captain AJC Reed, Captain Andy Reed.

ADV SIBEKO: You, you have not made any reference to that document in your statement. Is that correct?

DR YOUNG: No. I have not. I said that was something I would like to
25 come to, if I can. But, this is something that was only provided to me,

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well, the week just before the weekend, from, prior to the finalisation of my witness statement.

ADV SIBEKO: How much time will it take you to find that document?

DR YOUNG: It will probably take me, about two minutes.

5 ADV SIBEKO: Now, will you [indistinct] and try and do that, do that during the lunch adjournment. Perhaps you can skip that part and deal with the other matters, that we can deal with, on the basis of documentation and we will, during the lunch adjournment, try and print and make copies of that document.

10 DR YOUNG: Thank you for that opportunity.

ADV SIBEKO: Alright. In paragraph 494 of your statement, you make reference to HDW, who is HDW?

DR YOUNG: Sorry, can you just put, my 494. Is that correct?

ADV SIBEKO: That is right.

15 DR YOUNG: Yes. I have to risk my German pronunciation it is Hawaldt's Deutsche Werken. It think, it is as close as my English tongue can take me. It is a member of the German Submarine Consortium, as well as the German Frigate Consortium that actually built a couple of the submarines and two of the frigates, as far as I can
20 remember. Nothing particular in this theme turns on that. But, as you can see, it is an introduction of the German Submarine Consortium, a member of which is Ferrostaal, which is the one that I wish to address next.

ADV SIBEKO: Alright. You can continue. Possibly, possibly why I,
25 maybe it is slightly out of place here, but I had it, is that HDW built some

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of the frigates and some of the submarines, is a member of both GSC and the GFC and they are all part of ThyssenKrupp Marine Systems. My point is, they are all part of this group, in the, in the context of the theme of the revolving door, with Admiral Kamerman having joined
5 TKMS. It is effectively a TKMS, in this context at least, as a successor of both Blohm and Voss and of HDW. It is possibly the reason why I wrote that. But, nevertheless, it is relevant in, in both contexts.

ADV SIBEKO: You deal with the investigation of the German prosecuting authority from 1997.

10 DR YOUNG: Yes. I was not a member of the prosecuting authority or the German raiding teams. So, unfortunately, I have to use the evidence, which firstly, is described at some length in the relevant sections, at least, of, of the raids on Ferrostaal and the records that they seized there, in Essen, regarding the payments of the bribes, or, yes, I
15 think they refer in this, they describe, they say it is, working from memory now of the amounts of 90 million Dollars and the 6.6 million Euros twice. They also refer to this in the context of Toney Georgiadis, who is probably the conduit of these funds. As I have said before, Tony Georgiadis was the prime mover of the German Strategic Alliance,
20 which was actually acting for both the German Submarine Consortium and the German Frigate Consortium, in respect of, at least, their very first responses to the RFI phase of the strategic defence, defence packages.

ADV SIBEKO: So, your, your evidence in this regard is largely
25 dependant on these investigation reports and the information that you

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picked up from them.

DR YOUNG: Yes. As I have also said, I was in contact with various people in Germany, a range of people and, and I also want to emphasize that these are not member of the German investigating, official German investigating people, German prosecuting range of people. Somebody told me telephonically. So obviously I had to, that I had to hear that with my own physical ears. But I will state for the record, that I was told, not long after these raids were done that Ferrostaal paid the larger bribes for GSC, to win the South African submarine deal than Thyssen paid for the GFC, to win the South African Corvette deal.

CHAIRPERSON: Just hold on, Dr Young, who told you that Ferrostaal paid much even higher bribes? Who told you that?

DR YOUNG: I am not prepared to divulge his name. He is somebody who lives and works in Germany. I think I am saying that on the basis that, for whistle blowers and for the press sources, are both sensitive, as well as, as, well, basically the law, I am talking to the law, but my, I am making this basis on the, my, the advice I have received. The legal advice I received is that whistle blowers are not obliged to divulge their sources.

CHAIRPERSON: And then, why would he tell you and not the authorities in this country? Why did he phone you and tell you that other people paid bribes?

DR YOUNG: You see, if I answer, if I tell you that, then it might give you an indication, okay, I think I can tell you, without giving a direct

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indication with the individual is. But, if somebody, let us put it this way, with a, very close to, or at least, very close knowledge of, of both the investigation and the yield, the yield of results that the search and seizure had. So, it was somebody, who, you know, maybe I get
5 accused of double or triple hearsay, so you know, but be that as it may, this is a Commission of Inquiry. This is my best evidence. But, I think, I, I knew this a long time, before I received the German investigating reports and in fact, that certainly corroborated everything I have heard way back. Not long, well, the German reports I got in 2000, late nine, 10
10 and I knew this, long, not long after the raids in 2006. That person was extremely knowledgeable about what, what had happened. Without belabouring the point, not in an untoward way, I, I suppose the word knowledgeable word is close enough.

CHAIRPERSON: Dr Young, you give a very long explanation, without
15 answering my question. Let me leave it. I am sure I am not going to get any answer from you. Advocate Sibeko?

ADV SIBEKO: I think, the questions, the Chairman's question, Dr Young, is why does the person come and tell you and not make that same report to the official investigating authorities?

20 DR YOUNG: Now, obviously, now I am getting onto the treacherous ground of rhetoric and, and argue, not legal argument, but being argumentative. But, the, the simple question is, I mean, I do not, I would not put the question as, okay, how do we know, two things, how do we know he did not? Okay, because it was telephonic. Secondly, how do
25 we know that he did not know this from the investigators themselves?

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ADV SIBEKO: Ja. Perhaps, let us leave it there and go to your next paragraph 499, which also is an extraction of some passages of the German report that you dealt extensively with, yesterday, [indistinct] the day before yesterday. Is there anything specifically that you want to
5 deal with there, regarding the ...[intervene]

DR YOUNG: No. No. I think, we have not only, we traversed it. We also got a ruling. I also think, even without the ruling, that what is on the record is sufficient for these purposes. That takes us to paragraph 500 of your statement, where you deal with the various meetings of the
10 SASUBCLUB and the ADS recurring allegations of corruption, in respect of the submarines.

COMMISSIONER MUSI: Sorry, sorry, before, before you answer, Dr Young, Advocate Sibeko, what is the document, referred underneath that quotation, where do we find it? So, are you not referring to it?

15 ADV SIBEKO: That, I, I did not deal, pardon Commissioner Musi and Chairman, the quotation, on paragraph 499, appears at RMY 52. It starts at page 1086 and goes up to the next page 1087.

COMMISSIONER MUSI: Thank you. That is enough for my purpose.

ADV SIBEKO: Yes. You were about to start the discussion, regarding,
20 or relating to the various meetings of the SASUBCLUB.

DR YOUNG: Yes. I think, this point is more, in respect of the submarine in general, not necessary so much, in respect of corruption. Although, as a point of reminder that the German investigating report does, does state that Chippy Shaik requested a similar agreement in
25 respect of the submarine, as well. So, so, there certainly is a linkage

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there. But, this particular point, at least the detail of it, relates more to a conflict of interest, which is more of misconduct or an irregularity, at, at the very least at least, rather than straight down. Well, it, it might be corruption, but it may not be bribery in terms of, of the payment of the

5 bribery amount. But, anyway, the point I wanted to make, in regards, the, my involvement in the SASUBCLUB, my knowledge of Chippy Shaik's involvement there, of the submarine combat suite and, and his direct involvement in there, after his recusal, not involving only the, the Corvette combat suite, but the submarine combat suite as well.

10 ADV SIBEKO: Now, in your discussion of the meetings of the SASUBCLUB and involvement of Chippy Shaik at these meetings, you made reference to three documents, which are minutes of the SASUBCLUB. The first one is 1998/06/2006, the second one is 1998/08/19 and the third one is 1998/07/02 or it is 20, I am not quite

15 certain. They are for purposes of the record, our RMY 104. RMY 104 is at 1928 of our file six. RMY 105 starts at 1932 and RMY 106 starts at 1937. Are there any specific documents or references that you want to make in respect of these minutes, in support of your contention, perhaps as an introduction to the conflict of interest and an indication of some

20 participation by Shaik in issues, relating to the contractor for the submarine combat suite?

DR YOUNG: Yes. I am looking at the second last item of the minutes on the fourth page of four. The last, it is the last page of this, of the first set of minutes.

25 ADV SIBEKO: What page did you say you are looking at?

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DR YOUNG: Four, four of four. Sorry. It is page four of four.

ADV SIBEKO: That would be our 1931 it seems. Is that the document that has future planning?

DR YOUNG: That is correct, yes.

5 ADV SIBEKO: Yes. What about that future planning?

DR YOUNG: Okay. What it says that:

"The chairman informed the meeting that Atlantis Consulting (PTY) LTD had been requested to attend a meeting with ADS on the 30th of June 1998, being facilitated by Admiral Howe and Mr S Shaik. At meeting it would affect, have a direct bearing in the SASUBCLUB. The meeting was requested to give Atlantis Consulting (PTY) LTD a mandate to negotiate or pending on the direction of the meeting. It was agreed that the [indistinct] should be approached including ADS. That ADS would, should not consider on the same grounds as other applicants. These conditions include that no founder member loses work share to ADS. ADS would become an associate member and ADS agreed on a quid pro quo with the SASUBCLUB, with respect to work, should the French offer be accepted, as prime contractor for the submarines."

10

15

20 ADV SIBEKO: What is the significance of the passage you have [indistinct] that you have just read with regard to what you have told us?

DR YOUNG: Well, the significances involves conflict of interest. Now, when, I have to give the context. It is not in the analysis of what this means, this is the context, although the SASUBCLUB, as I said before, was a grouping of companies, involved in the entire spectrum of supply

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for the submarines, there was only one company, at that stage, kind of a founder member, being C Square I Square, that was involved in the combat suite. Or specifically the combat management system, as we had an agreement of, we had dealings with one of the submarine
5 suppliers, being [indistinct] and Terry. But, also we had, we had various business negotiations going on with ST and Atlas, regarding the, the involvement in the combat, the combat suite part of it. Now, of course, if I have not been clear enough, ADS is also only involved in combat suites, combat management systems. So, clearly, this issue, involving a
10 meeting with Mr S Shaik, is only about combat suites. I do know that there was a lot of pressure. I, unfortunately, do not have all the time I need. I could probably spend a day or two on the whole issue of inclusion of a South African combat suite and not only a South African one, but actually more of a French one, into the submarines, rather than
15 the ones, the German had, the selected one, the one from ST and Atlas. But, I think, this point suffices to say, or suffices to address, at least, a subtheme of that of conflict of interest. Here we have a summary, being the Chief of Acquisitions, in, okay, after he has been, been [indistinct] the Chief of Acquisitions, knowing his brother's interest in Nkobi
20 Holdings and ADS and Thomson SA, getting, getting involved in an issue, where the conflict of interest is already at play, although it was only formally declared, I see, on the 4th of December. You know, the, the conflict gets managed or handled, once it becomes, once it becomes into play, not just when it is recorded. But, anyway, here is a stark
25 example of the, of a situation, where the Chief of Acquisitions got

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involved in the nitty gritty of a, the combat suite of the submarine, which was being offered, by the combination of Thomson and ADS.

ADV SIBEKO: Is there anything you wish to address, through the minutes of the next meeting, RMY 105, at our page 1932? Or that you
5 do the same thing?

DR YOUNG: No. I think, these are just further, further proof of this meeting having happened. It happened at, in, in Chippy Shaik's office. Okay. It might, maybe that Admiral Howe initiated or facilitated the meeting with that. I do not think that that is important, in terms of
10 conflict of interest.

ADV SIBEKO: Alright. At your paragraph 501 and following, you are dealing with further meetings that Shaik had with that company HDW and, and so on. Would you like to deal with that?

DR YOUNG: Yes. I was personally involved in this, in this process.
15 Certainly at this, at the earlier stages, we were quite deeply involved, especially, because the, what became a controversy, the, either the German combat system, or the French one. So, there was a lot, a lot of action going on here. I had meetings, only the one particular meeting with Clement Steinkamp from HDW in, actually in Armscor offices in, in
20 Simon's Town. I also remember many, many meetings with Peter Krollman and Ernst-Otto Max of STN Atlas. I remember actually, after one of the meetings, what is actually more of a, let me say it was a presentation, or what Chippy Shaik called, all the relevant parties of [indistinct]. I think, all the SDP's was not just submarines. It was not
25 even just to Naval systems. Peter Krollman and Otto Max were there.

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Of course, they are only involved in combat systems and specifically combat management systems. After that session in the Armscor building, here in Pretoria, I met Peter Krollman and Ernst-Otto, walking down the stairs, as I was walking out a bit later, because I was catching
5 a flight later. So, that, anyway, in that meantime, meantime, between the, it was a presentation or whatever had ended, Chippy Shaik had called Peter Krollman and Ernst-Otto Max to his office. If I may say so, I did not write this down, but they were as white as sheets. These were very, very experienced campaigners in international bidding for combat
10 management systems. I asked them why they looked like that and they told me that they had just been read the riot act, by Chippy Shaik, regarding their intransigence, regarding the combat management and specifically with regard to ADS's inclusion thereof.

ADV SIBEKO: Did anything come of the proposals that were made, of
15 ADS to be included in this bid?

DR YOUNG: Yes. Many, many things did actually come over it. In fact, I, I am not going to describe about everything, but not just to, to get the point that I would like just to end completely. It is sort of in conclusion there. The whole effort to get the, the Thomson, I think they
20 call it Sastiques. It is the actual name of the French combat system was Subtiques, with the South African element, involving ADS, called the Sastiques. Now, I was intimately aware of all of this, because we were going to develop parts of it, or at least parts of the software. But, but the, the DOD, with Chippy Shaik involved as well, insisted, as we
25 considered, eventually somebody in the project team recruited

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somebody called Karel Van Der Merwe, ex-Navy officer, working on the submarines. He, he did an analysis. I think, he spent quite some time in Germany. I do not think he spent any time, anywhere else, looking at the implications of the Germans for the very first time, including the

5 French combat system. Eventually, and this went on for many, many months, several, several months. He issued a report and based on risks and costs. The Germans prevailed of course, the Germans and [indistinct] in particular and I know, were not happy at all, to include a French combat system, or French combat, yes, French combat system

10 in a German submarine. So, the German 209 submarine is actually an export submarine and I do not think, even the German Navy use it themselves. They were particularly not enamoured by this. Because it would be the first, being the first time that it would have happened and that could have opened up the door for future submarines, ordered from

15 them by future clients, of not including a German combat management system and a combat system in, in general. So, anyway it was, it was certainly, it was a very big issue. What I also do know, from my personal involvement, because we were meant to get a contract from STN Atlas, to do the torpedo fire control system. Something that I had worked on

20 myself, in earlier life, I knew a bit about it. But, I do not have all the details at my finger tips. But, I believe a bone was thrown to ADS, in that STN Atlas would actually give ADS a small contract of, something reminds me about R10 million or so, to actually do the torpedo fire control system. And, anyway, I do not think that actually happened at

25 the end. But, anyway, there were certainly, if I may say so, exceedingly

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strange manoeuvres in terms of normal acquisition process of trying to force decisions at combat suite level and even subsystem level, at torpedo fire control level, on a prime contractor, like the German Submarine Consortium.

5 ADV SIBEKO: And as you say that remark, I think, would that mean the conclusion of the part of your statement that deals with allegations of corruption, with regard to submarines?

DR YOUNG: Yes. I think that is a, I think I have, I have said sufficient. We will next traverse the allegations of corruption with regard to jet, the jet plane and the jet fighter aircraft. Perhaps we can do that when we come back from the lunch break? Would that be the convenient time to take the break, Chair?

CHAIRPERSON: Thank you. We will adjourn for lunch and let us come back at quarter to two. Thank you.

15 **(COMMISSION ADJOURNS)**

(COMMISSION RESUMES)

CHAIRPERSON: Okay.

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

ADV SIBEKO: Dr Young we start at paragraph 507 of your statement, in relation to your discussion of the allegations of corruption, relating to the jet trainer and jet fighter aircraft, by stating that you were not personally involved in this aspect of the SDP's and that you will not deal with in much detail. What do you know about the allegation of corruption [indistinct]?

25 DR YOUNG: Okay. As I think, I said right at the outset, I have made

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it my interest to find out at much there is, about all aspects of the SDP's. I have familiarised myself with vast amounts of documentation, including affidavits of the people, I have mentioned below, including people from the Serious Fraud Office. I mentioned it in the beginning. Gary Murphy
5 and other investigators in this country like Colonel Jan Du Plooy, Advocate William Downer and an attorney, who I believe is now an Advocate, Karla Saller. All of these people have made affidavits under oath, regarding bribery and corruption. Of course, these, of course, that would be the most appropriate thing, if all of these people gave
10 evidence. But, I think, at this stage, I see only one of them, it is Colonel Du Plooy, is still coming after me. So, hopefully, I can leave most, most of it to him. But, I certainly have interacted only, although only briefly with the Serious Fraud Office, whose investigation yielded most of the information initially, in the United Kingdom, again similarly, as, as in the
15 Germany, investigations were undertaken in the UK. There were also various requests for corroboration, in our [indistinct], mutual legal assistance requests, between South Africa and, and the UK. Of course, those are, they were, they are publicly available documents and of course, none of those things are bald. They have an enormous amount
20 of factual information attached to them. Similarly, as that email that we saw from the German government to the Swiss government. It is similar, similar attachments. But, be that as it may, as I have also said, I have come into possession of documents, by means of, maybe one, I am not quite sure, how to describe it. Maybe I am a whistle blower, with
25 his head above the parapet, unfortunately at this stage. So, there are

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other people, who prefer not to be as publicly visible, as I am right now. I have come into possession of other documents in that respect. But, certainly one or two of them that I am going to be using right now, is an affidavit, written by a South African. As far as I know, those are publicly
5 commissioned affidavits, are also, are also valid evidence, to which I may refer.

ADV SIBEKO: Now, there is a specific aspect, involving allegations of corruption, by the BAE systems that you deal with, as from paragraph 510 of your statement. You deal with this specific aspect, involving a
10 person, called Portia Ndzamela. It is dealt with, through the documents you have furnished. [Indistinct] YLF 01, which is our RMY 107. That is at page 1938 and a further document, your YLF 04, which is our RMY 108, which we shall come to in due course. It is at page 1944, of bundle, of file six. You can proceed now.

15 DR YOUNG: Yes. Again, I derive no satisfaction of, of bringing this, this matter to the attention of the Commission. I was actually hoping that, I think I am the last of, what they call the critique witnesses. I think, the press has called it the whistle blowing witnesses. I do not think I could put Colonel Du Plooy, or Major General Meiring in that category.
20 But, certainly, other people do actually, or at least, could know more about the BAE, the military aircraft deal, could or should have been in a better position to do this. But, I, it is my, my understanding that this has not been dealt with, certainly, in terms of, it might have been touched on. I might have, I cannot quite remember every single witness's
25 evidence. But, I do have certain documents and I think that they are

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proof. It might not be in the amounts of hundreds of millions, which have been referred to, as a total amount of what is politely called covert commissions, involving the military aircraft deal. If I do get the time, I might address that, if I do get the time. But, I have not prepared

5 evidence so far, in, in the greater scheme of things. But, here is some documentary evidence, involving two important parties and that is a minister, who is a member of MINCOM and BAE, a very important member and Regional Managing Director of British Aerospace, who was responsible, certain, up until what the British call down select phase. It

10 is when the Hawk and the Gripen were selected, as preferred, as the preferred options and BAE and SAAB were selected as the preferred suppliers. It is important as well, from a perspective that this involves the first member of Cabinet, involved in, can I say, untoward dealings, involving the Armsdeal and she was not only a member of the Cabinet,

15 but she was a, a member of the Ministers Committee that dealt specifically with, with the Armsdeal. I think, the evidence, not of my own, just of what we read, written by BAE people and her daughter Portia, is her name, Portia Ndzamela, is sufficient to at least, indicate something that is of interest to, to the Commission. I would stop there,

20 for further guidance of, whether I go through the rest of my text, or would you like me go directly to the evidence documents?

ADV SIBEKO: You mentioned the name of the minister in paragraph 510 of your statement and I see, you seem to be avoiding mentioning that name for the record.

25 DR YOUNG: No. I am not avoiding mentioning it right now. I am just

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hesitating, because of my pronunciation [indistinct] and I think, Minister Sigcau, Sigcau Xhosa and my Zulu may be not good enough. But, that was possibly why I was hesitating. The name is Stella Sigcau, who is the Minister of Public Enterprises and therefore a Minister of, a member
5 of Minister, by virtue of the fact that this department would be selecting and administrating all the national industrial participation projects of the SDP's. As we know, even in respect of the so-called quantitative evaluation, the element of NIP was given, in fact, indeed, 25 per cent of the overall best value, without, of course the dividing of, of financial, the
10 financial index. So, of course, this person is particularly important. You will see that, when I address the evidence, emanating from the person, whose name is Alan McDonald, who I said, was the Regional Managing Director for Africa and I think, the Middle East, who was responsible for this programme. The fraud involves amounts of money, paid in respect
15 of the Minister's daughter. Fortunately, her name is easier to pronounce, Portia Ndzamela. I think, that is, okay, maybe I need to say, the, the point is, Portia had been married. Or in fact, was married and was getting divorced. She had two small daughters and the marriage was acrimonious and the Minister wanted her to go to the United
20 Kingdom and requested BAE to pay for their accommodation and education, schooling and other various other things for, I think, it was actually said in 512, for a period of a couple of years. I think, it actually was three years. Certainly, that kind of, if I may say loges, is certainly small in the greater scheme of things, of 105 billion, about 105 million
25 British Pound Sterling. They had constituted the covert commissions,

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regarding the BAE's and SAAB's purchase, not the purchase, sale of the Hawk and the Gripen to South Africa. But, nevertheless, as I mentioned before, the threshold is of, of major interest, R500 000.00 and I am sure that it must be, at least be in a [indistinct] magnitude. So, I am not
5 talking about actually Mickey Mouse money here. But, at least, it is an indicative that this kind of stuff was done, in the selection process.

ADV SIBEKO: And just for purposes of the record, the name of the Minister you are referring to is Stella Sigcau. But, you mentioned that the source of the information you have just alluded to now, is that
10 something that you pick up from that document? Your YLF 01, our RMY 107, if you would go to that document and identify it. Tell us how you got hold of it?

DR YOUNG: Okay. I have identified the document. It is on British Aerospace stationery. It is a facsimile. It says in strict confidence. It is
15 from, as I said, Allan MacDonald to at least a kind of superior, a Terry Morgan, in, based in, as far as I can understand, Farnborough in the United Kingdom. It can be, the sensitivity indicated in handwriting here, do not copy. Unfortunately, for them, somebody did make a copy, of which I have a digital version in front of me and you people have paper
20 copies. I do not know the exact, the exact why fore and where fore of this. But, it was delivered to me on a digital device, obviously, by somebody, who wanted me to ventilate this issue, at the appropriate forum.

ADV SIBEKO: Is there a specific passage, you want to deal with in
25 this document?

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DR YOUNG: Yes. Indeed, I do not want to be, well, you are welcome to stop me. But, I think, that the, what you call it, the bar code with the number underneath it, I, I understand that that is the Serious Fraud Office way of identifying seized documents. I am not sure. But, one
5 reason why I say this, and this is, I did not break in to find out, who, or where BAE used to go and hide their sensitive documents in Geneva. But, I received it through some kind of route that at least, emanated from a formal search and seizure operation. But, I think it is fairly important to ventilate this letter, in sufficient detail, to get my point
10 across. Of course, it is dangerous, because it is a, well, it is a two page letter with a lot of text. So, maybe I will take guidance on what I should or should not say.

ADV SIBEKO: As you make reference to that document, you must keep at the back of your mind, the terms of the ruling that, in terms of
15 which, you would deal with documents.

DR YOUNG: Yes. I am certainly mindful of that. If I was not mindful of it, I would have started the whole letter, two pages, into the record. I have various highlights bookmarked here. But, I think, possibly, I have gone into the, the, sufficient in the, at least, the first paragraph here.
20 But, I think, what is relevant is, we are talking about South Africa. This Terry of South Africa and he is talking about marketing activities. It is fairly clear, what he means with marketing activities. The first sentence, no, sorry, the last sentence of the first paragraph says:

*"You will note that we are certainly getting down to the short strokes
25 for both Gripen and Hawk."*

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So, that is the relevant context and he says that he is clearly looking for some professional help. It goes on to say:

“You will note, from the information I attach that the fact that we have got Hawk onto the final list is very much due to our friends in the country, rather than the quality of our ITP response.”

That is certainly some kind of countertrade. In this regard, remember, he mentioned the Minister, who is, my own pronunciation is not good enough, but anyway:

“One friend, who has and remains absolutely critical to our ultimate success for both Hawk and Gripen is Minister Stella Sigcau. You may recall, she visited the UK recently and met with Peter Mandelson and I interrupted my leave to host the visit. She very privately asked for my support on a personal family matter.”

He mentioned the daughter, 29 years of age and unhappy marriage arrangement, which carrying on, without trying to cherry pick:

“The breakdown of her daughter’s marriage is causing her severe embarrassment.”

I am trying to say this, because this is coming from the Minister and not from the daughter.

“In the coming months and after our success, she wants BAE for two to three years to provide a marketing for her daughter in London. Such a job will have to pay sufficient to provide reasonable quality of life for the Minister’s daughter and her two children.”

Importantly:

“As you would expect, in view of the criticality of where we are in the

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decision making process and our fundamental reliance on the Minister's support, I gave all the right assurance to the Minister that we would very positively help address this personal family matter. To show sincerity, I arranged for Niall Irving to meet with the daughter."

5 And Niall Irving is another British Aerospace person involved, and based in South Africa. As I have before, during that period. I think it is important, I think I am coming to the end of this letter:

"I have appraised Neils Petersen of this situation and asked him to ensure that in our South African budget we make provision for three
10 years' support for the Minister's daughter. He has indicated that monies will be found to deliver this."

And it is signed Allan MacDonald.

ADV SIBEKO: Now, the next letter, document that you rely upon though, are there further pages in this document that you seek to draw
15 the Commission's attention to, before we move to the next document?

DR YOUNG: Okay. The way it was provided to me, I think that these documents, these memoranda were concatenated and that is why there are more pages. Anyway, we are talking about another memorandum, which is headed strictly personal and confidential, for obvious reasons.
20 It involves, involving the same recipient and, and originator. The only person I want, part I wanted to read out, of course, there is a mention of the South African parties involved, in the, in the process. Now, we are talking about a date of this document of 19th of February 1999. They will be, in the middle of the document, I am talking about a specific
25 paragraph, after seeing Dick. Dick is the Chairperson of British

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Aerospace, Sir Richard Evans, who hates to be called Sir Dick. He also spoke of and I believe he met Portia and here they have got the spelling wrong. Here I could, that is why my pronunciation, the first time, was mixed up, you can actually:

5 *“Sigcau the daughter of Stella, the Minister of South Africa, who I subsequently found out, has been influenced to send a letter of support, regarding Allan into the company. For your information Portia is being supported by BAE, while doing a course in London. This includes accommodation and all furnishings, plus a large number of items.”*

10 I think, I just wanted to say that, because there is, there is more of the same. But, of course, if the original letter, they were just finding her job and she was looking after herself that would certainly far reduce the amount that they would be paying. But, my understanding is that she did not find a job. Or they did not find her a job and I have, certainly, in
15 respect of what I see in front of me is that she spent the time doing further education and her children, who were, I believe neither actually finished school, at school. So, I cannot remember what kind of school. But, it was in England. Public school are private schools here and extremely expensive. But, that is by the by. Anyway, there is more to
20 that letter, which I am not hiding the content, which I am skipping over it. Just, I am reading the highlighted portions in front of me. In terms of the, the consummation of the Union, here we have a letter. Now, if I may say, without too much interpretation, the, it seems, oh, yes. It is fairly interesting, of course, that Portia writes this letter on a Denel
25 letterhead. I am not quite sure why.

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ADV SIBEKO: The letter you are referring to, is that the fax message that appears in our page 1942, dated 12 October 1998?

DR YOUNG: That is correct, yes.

ADV SIBEKO: What passage do you wish to refer to there?

5 DR YOUNG: Okay. I just want to say it is to the same person, Niels Petersen of British Aerospace. Here, Portia signs the letter as Portia Ndzamela and she thanks Niels for the opportunity to:

“Thank you for the wonderful hospitality you gave me, whilst I was in London (including) the support services provided was outstanding in the
10 highest order.”

And she talks about:

“I would like to thank you for incorporating the position of my little girls into our discussions and thus giving the comfort that they are not forgotten in the greater scheme of things.”

15 Then, probably it suffices to say that there is, certainly, there seems to be a two way street, in the acknowledgement of this agreement, or this [indistinct]. Next I come to one, one more letter. I am now on the last page of these six.

ADV SIBEKO: Is that the letter on the British Aerospace header at on
20 page 1943?

DR YOUNG: That is correct, yes.

ADV SIBEKO: Okay, here we, we the letter is to Alan MacDonald from Stuart McIntyre, copied to Niall Irving and Stuart McIntyre and Niall Irving were both British Aerospace people, based in the country. At the
25 relevant time of the, sell, here we call it pre down select phase, okay,

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and I think, was it November 1998 and here we are talking about a document on 31 of October. The subject is two, two people, one they refer to as young friend, but it was certainly in the context of young lady friend. It is fairly clear from the documents that are your, indicate who
5 these people are. Of course, from what I have just read out, if we go down to paragraph that is preceded by point one, in respect of a young lady friend. It says:

“On this matter.”

Of course, it is the matters concerned above, which I do not think, which
10 I think, I have had a quickly, brought into the context. I will certainly go back to, if I am asked to do so. On this matter, he sets out a clear demand that he, his young friend:

“We must deny all knowledge or involvement whatsoever in YLF’s recent job application in the UK. The application is purely a private
15 initiative on YLF’S part and nothing more. He asks that we clean our system of all record or reference, especially in SA and brief all those in the know, both in SA and in the UK of the line to take. Any further activities we must be under the new security regime see below. YF reports that he is being undermined in a number of ways. The
20 perpetrators are EC and others externally and various of their friends internally. YF is being accused of not being a real advocate, of having been arrested or investigation of cocaine possession, of being.”

And I think, it is not that I am trying to try and catch, I think that that is the last page. Of course, okay, then importantly here, there are some
25 indicators of why, who YF is. But, the important part, point is that, in my

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view, we have certainly more of the same in the context of an executive statement here. YF, whoever it might be is fully aware of this, because obviously, well, if one says fully involved, but certainly seems to be fully aware of this. The sensitivity would not, certainly would not agree, 5 would, would intend to give support, for the fact that this selection process is being done, within the terms of MODAC.

ADV SIBEKO: Perhaps, before we go to RMY 108, your YLF 04, you mention that YF knows who he is. But, in paragraph 517 of your statement, you make specific reference as to who YF is. What is the 10 basis of what you state in paragraph 517?

DR YOUNG: Okay. That is, that is the document that we are coming up to next.

ADV SIBEKO: Alright.

DR YOUNG: I think, we, we probably deal with the affidavit.

15 ADV SIBEKO: Yes. That is at page 1944 of that same bundle. Would you with that?

DR YOUNG: It is an affidavit and the deponent, it was correct here, is Carol Ann Jefferies and she says, I the undersigned ...[intervene]

ADV SIBEKO: Okay. Who is, who is Carol Jefferies?

20 DR YOUNG: I come to that in the document ...[intervene]

ADV SIBEKO: Ja.

DR YOUNG: Because affidavits normally who one is.

ADV SIBEKO: Alright.

DR YOUNG:

25 *"I, the undersigned, Carol Ann Jefferies do hereby make an oath and*

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declare. I am an adult female with the ID number.”

Her present, her, that, at that time her employment and she says who she is and that is in the relevant period for the period October 1996 to November 1998, which I have, okay. It says, in terms of the documents

5 I refer to is the relevant period:

“I was employed by British Aerospace (BAE) South Africa as a personal assistant and bookkeeper since November 1998. I assisted the negotiating team from the United Kingdom and moved out of the main marketing office. I left the employ of the group in August 2001.”

10 So, she certainly seems to have been in the right place at the right time. She refers to other BAE directors in South Africa. I do not think it is relevant in terms of my evidence, except, except that the people, Niall Irving and Stuart MacIntyre, who was involved in this ...[intervene]

CHAIRPERSON: I am sorry. Advocate Sibeko, we seem to be going
15 back to where, I thought we will have [indistinct]. He is now starting to read letters from BAE, analysing them, telling us what we mean. I am not quite sure what the purpose is thereof. We do have the letters. He has requested them. We can read them and understand them. We do not need Dr Young to do that for, for us.

20 ADV SIBEKO: Now, I, I asked you earlier on to be mindful of the terms of the ruling, when you referred to these documents.

DR YOUNG: Yes. You also asked me to identify who Carol Ann Jefferies was and my response was particularly to, to answer that particular question and it was done for, in, in specific response.

25 ADV SIBEKO: Alright. Again, be mindful of the ruling. I have asked

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you, what the basis of what is set out in your paragraph 517 is and you said it is this document, RMY 108. Where in RMY 108 do we find the basis for what you say, in your paragraph 517?

DR YOUNG: Sorry, my, my paragraph, what, five, five?

5 ADV SIBEKO: 517 of your statement.

DR YOUNG: No. Sorry, we are not there yet. We, sorry, we are not there yet. We are at my previous point, 517. Sorry, not 517, 516, where I am referring to my RMY 108 document. We have not got to 517, yet.

ADV SIBEKO: Again, dealing with your paragraph 516, we are now
10 dealing with, you referred to RMY 108. I said to you, in responding to the question, please be mindful of the ruling, the terms of ruling, which was handed down, the day before yesterday, regarding the manner in which you deal with the document.

DR YOUNG: Okay. My understanding was that I was allowed to refer
15 and to, to particular portions of it. That is what I was trying to do. Anyway, there is only one more sentence that I want to refer to, what I want to read out, in this affidavit.

ADV SIBEKO: What paragraph is, does it appear there?

DR YOUNG: It is in the last page, above the affirmation of the oath. It
20 starts with the words, I furthermore.

ADV SIBEKO: Yes?

DR YOUNG: I will ...[intervene]

ADV SIBEKO: That this is to demonstrate who the young lady friend
is. Is that correct?

25 DR YOUNG: It is not only to demonstrate who the young lady is, it is

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to demonstrate the other party in the transaction, being BAE and the whole issue of residence and study in the United Kingdom. That is what it is about.

ADV SIBEKO: So that is the [indistinct] paragraph in this document?

5 DR YOUNG: Yes. Other than, also identifying this affidavit and who the deponent is, which is what I was trying to do. I wanted to do that, in the context of producing the most important thing, which says:

"I furthermore know that a certain family member of Stella Sigcau (first name Portia) was sponsored by BAE to study in the UK."

10 The rest of the paragraph is important, but I will not read that out.

ADV SIBEKO: Alright. Dealing, dealing with the next paragraph of your statement, it is paragraph 517. In that regard, you make reference to YLF 02 and YLF 05, which documents are our RMY 109, at page 1947 and our RMY 110, starting at page 1950. Again, Dr Young, I shall
15 remind you that in tendering your evidence, you must be mindful of the terms of the ruling.

DR YOUNG: I am ever mindful of the terms of the ruling, but I have to tread a fine line, between too much and too little. I am, at this stage, I am erring on the side of too little, at least, in respect of getting my
20 evidence across properly and also keeping my own train of thought. But, nevertheless, this is a document by a, a, it is a document entitled JMW's thoughts for PW on positioning and relationships in South Africa. I think, the whole thing is extremely important. The JMW is Jonathan Walton, who was another BAE employee, based in South Africa,
25 involved in the Hawk and the Gripen deal. In this respect, I think the

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whole thing is extremely relevant. But, I just wanted to refer to two paragraphs here, on the second page, which supersedes the sentence that says that:

“Both administered by Neils Petersen.”

5 ADV SIBEKO: This would be on page 19, our page 1948 for the record. And what is the number of the paragraph you are referring to?

DR YOUNG: It is paragraph 1 and 2, 1, 2 and 3.

ADV SIBEKO: Is that the one that has a heading top level political pre-Hawk/Gripen? Is that the paragraph you are referring to?

10 DR YOUNG: I am sorry. I am looking at a, well, unfortunately the indentation is quite poor. But, underneath seven, maybe that is the correct place to start. Under seven, where it says:

“In the meantime, Steve Grigg.”

15 It is my, ja, my third page. I think, we are talking about halfway down the page.

ADV SIBEKO: I think, it is page 2 of 3, our 1948, paragraph 7 reads:

“In the meantime, Steve Gregg (oh, Steve Grigg) (now reporting to John MacBreath).”

Is that the passage you are referring to?

20 DR YOUNG: That is indeed correct, yes.

ADV SIBEKO: What is the essence of that passage you want to refer to?

DR YOUNG: Okay. You see, it, it, well, there are two [indistinct] reasons, the main, the first one, is to identify who YF is, young friend.
25 The second, of course, if I do get the opportunity, as I indicated in my

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witness statement, I will, if possible, I could or I would address some of the evidence that Fana Hlongwane gave, to this Commission, not too long ago in December. But, be that as it may, I think it is, if I can just, if I may, just refer to the following that refers to, in respect of 2003:

5 *“Only one senior political advisor.”*

I think there is an emphasis on that, even in inverted commas, his name is Fana Hlongwana with:

“Two adviser contracts, one ‘marketing’ and one ‘offset’, both administered by Niels Petersen.”

10 In any case, we can go down to two:

“But on JMW’s arrival, Stuart McIntyre embarked on an extraordinarily campaign to promote FH (clearly Fana Hlongwane) to JMW, so ridiculously strong that JMW was highly uncomfortable. SM (Stuart McIntyre) was exceptionally close to FH and told JMW that he sought his council in practically everything, even in his own personal life. SM visited FH very regularly, but no one in the office was allowed to mention FH by name, hence ‘our young friend’ due to FH’s security concerns.”

15

I think, that is sufficient in respect of my contention that independently, of my own conclusions is the BAE documentation refers to the person YF or young friend as Fana Hlongwane.

20

ADV SIBEKO: RMY 110 is, it seems to be the same document that is part of a series of documents, in your RMY 108. Now, 107 that is that ...[intervene]

25 COMMISSIONER MUSI: Can I, can I just enquire, before you

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proceed? RMY 109, these are:

“Thoughts for PW on positioning and relationships in South Africa.”

Who is this JMW?

DR YOUNG: I did actually say that. His name is Jonathan Walton.

5 He is an important member of the British Aerospace and that is the negotiating team, or the project team. That is fairly clear, of course, I know that independently. But, in terms of his own document, if we go down to the last page, page 3 of 3, we can, this was actually a digital document. I think it proceeds, it was turned into paper. But, 10 nevertheless, we can have a look at the, that one says, on the last page, regarding document properties, entitled same as the top page:

“Positioning and relationships in South Africa.”

The author is a Jon and they are saved by Jonathan Walton.

COMMISSIONER MUSI: Thank you.

15 ADV SIBEKO: I, I indicated to you, just before you proceeded that the document YLF 05, our RMY 110 at page 1950 is a part of the document that you have already referred to, which deals with a young lady friend at paragraph 1 and security at paragraph 2 on that page. Did you see that?

20 DR YOUNG: Yes. It seems to be redundant.

ADV SIBEKO: Now, regarding the allegations of, of corruption, in respect of the jet trainer and the jet fighter aircraft, other than the documents you have referred to and what you have set out on your statement. Is there anything else that you wish to supplement?

25 DR YOUNG: Not, not at this stage. Depending how things go, there

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is certainly more relevant stuff. Unfortunately, I gave an oath to tell the while truth.

COMMISSIONER MUSI: Just, just before, just another interruption here. I see the title of this document, the thoughts are for PW, 109.

5 Now, who is PW?

DR YOUNG: Sorry, I just, let me open my document.

ADV SIBEKO: That is the [indistinct].

DR YOUNG: I would be honest, yes, I do not really know that. I have not applied to that. So, I think the answer, the honest answer is I have
10 to say I do not know.

COMMISSIONER MUSI: Thank you.

ADV SIBEKO: Alright. Should you apply, or had an opportunity to apply your mind, after the adjournment. Is there something you had left out?

15 DR YOUNG: If it is, if it is important, I, I could certainly give my, my view, in applying my mind to it. As far as I remember Price Waterhouse Coopers was the auditor of British Aerospace in South Africa and this could well be Price Waterhouse.

CHAIRPERSON: Dr Young, I think, you are, probably stick to your first
20 answer. You do not know. Please do not speculate. If you do not know, you do not know. You said you do not know. Now, you start, trying to give an answer to the question, that you initially said, I do not know. If you do not know, you do not know. Please do not speculate.

ADV SIBEKO: That brings us to your discussion of the Shaik, Swan
25 interference in helicopter decisions. Is there something you wish to

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discuss at this point?

DR YOUNG: Yes. This is extremely short, sharp and sweet, by comparison. But, it is just to indicate, with reference to the terms of reference to the Commission. I think the word impropriety is used. Of course, the, the big focus has been on the large programmes, the 5 military air craft, the Corvettes and the submarine, so far. But, something that is indicated in the, at least the draft JIT report and then, there also does not seem to be any reason, why it should not be carrying through. So, this is, it is referred to in two contexts. One that, if 10 it is true of what was reported to them, I am talking about the JIT investigating team, way back in, I think, where took, earlier in 2001. If that, if it is true, there was impropriety involved in this programme as well. Of course, in the theme of the changes to the JIT report, there does not seem to be any, any traceability whatsoever in how this was 15 removed, from what was actually the comprehensive 741 pages I have in front of me. How that disappeared, just a month later, in terms of the final report. In this particular context, I am just addressing what was recorded in the draft JIT report.

ADV SIBEKO: And you say that you, the recordal of the statement that 20 you have quoted from the draft JIT report, provides sufficient basis for the veracity of these allegations.

DR YOUNG: Yes. I think so, or certainly, it might not be court quality, but we have agreed that this is not a court. It is a Commission. And the Commission should be interested in all of these things. That is why, in 25 my [indistinct] view it is good enough and it is a reasonable issue, to

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bring before the Commission of Inquiry. Certainly, of course, if it is true and of course, this can be followed up. I mean the, this, I do not think the, the purpose of this Commission is just to stop at that, of course, that this can be followed up. Of course, I have tried to follow this up myself
5 and indication is that the people in Armscor or Denel left Armscor 15 years later. Is the person who will speak to me of course, is that, yes, this is indeed true. Of course, it is [indistinct] is the kind of a tautology and wide stream and that is the term of dismissal. But, if I may, it is this particular recordal, mainly the draft report at page 532, it is page 532
10 and it says, at paragraph 11.5. 11.4 that:

*“During consultations with witnesses it is alleged that Messrs L Swan and S Shaik had intimidated certain staff members, who had been opposed to the awarding of the contracts to Turbomeca (as an independent helicopter contract.) The staff members concerned had
15 been threatened with dismissal if they dared to openly oppose the said two persons.”*

I think that that is short, sharp and sweet and not belabouring the point. But, if this is true, it is not my onus to prove that it is true. Hopefully it will be followed up and those people will be brave enough to come
20 forward, just as I am doing now.

ADV SIBEKO: Now, Chair and Commissioner Musi, you will notice that in the file seven, oh, file six, at page 1951, there is reference to, and RMY 111. Now, that is a draft JIT report. It was contained in two supplementary files, 6A and 6B. It is because could not be fitted in here.
25 But, for purposes of the record, the, the passage that the witness has

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referred to is found in file 6B at page 1524 and that is where the paragraph may be found. Now, Dr Young, in terms of your statement, as from paragraphs 520, you introduce a discussion there, of a joint investigating and joint investigation and the JIT report. I, I propose that, 5 for the, the flow of the evidence, we park this discussion for a while and go to the section of our statement, where you deal with allegations, involving Thabo Mbeki. You will see that, there, there you start it at page 148 of your statement of your statement, which is at paragraph 585. We will then, at the end, deal with the issues, referred to, with 10 regard to the JIT and the draft JIT report. Once we have dealt with the issues you address, as from page 535, going forward and the various witnesses.

DR YOUNG: Okay. Maybe I can say, at this juncture, regarding the whole, my, dealing with the, the JIT, the JIT report, I have read the terms 15 of reference of this Commission a couple of times and I think I have ventilated it with various minds, better than mine. I, I cannot be 100 per cent sure, either, whether it is directly relevant to the terms of reference, or whether the Commission even wants to hear me on this. So, it is a, it is fairly substantial chunk of text, at least. So, if the, if the directive is 20 and knowing the contents of what I, is that it is not relevant to the, to the Commission's terms of reference, or to its interest, then skipping to the, the next thing would be an otherwise, the proper thing to do.

ADV SIBEKO: At this, let us park it for now. That is just for the moment. We will cross that bridge, when we come to it. Let us deal 25 with what is, the discussion that commences at paragraph 585

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...[intervene]

CHAIRPERSON: I am sorry, Advocate Sibeko. I did not quite hear the first portion of this, of your [indistinct]. I heard what Dr Young was saying. So, but from there, I could not hear that what you are saying. I
5 think, your suggestion is that this draft report seems to be, it might not be of any value to us and he wants to skip it, if I understood him.

Because it is, as it seems, the draft report, if it was changed, we do not know where it was changed, probably the courts or in the office there or realise that and then they made a first draft report, they made
10 the mistakes. Dr Young's suggestion that we should skip, maybe we should skip there. You try to require him, when we did not quite hear what you were saying.

ADV SIBEKO: Yes. Chair, I was saying to Dr Young that as I had suggested that we park that subject matter and deal with the rest of the
15 evidence, as I had proposed initially. He seems to accede to the suggestion I have made. Alright. Dr Young, do you have paragraph 585 of your statement? It is your page 148.

DR YOUNG: Yes. I do.

ADV SIBEKO: Now, if you could bear with me for one moment. For
20 purposes of this evidence, I think, it would be convenient to have in front of us file six continued. While we are there, we can go directly to what appears at page 2776. The discussion is picked up at [indistinct] RMY 123. Dr Young, it will be your document 0165. Now, you start in the discussion at page 585 of the statement, about making reference to the
25 growing confidence that Thomson CSF had, with regard to the Corvette

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combat suite, at some point. This is something that you touched on briefly a couple of days ago. Could you continue with that?

DR YOUNG: Yes. I remember, this is obviously, by way of introduction or coming to the specific interactions, which you know, I am pretty sure
5 are on, no, or it was certainly allowed by MODAC in the MD 41 statement, 147. But, it involves Thabo Mbeki. Initially, in his position, as the Deputy President and thereby Chairman of the Minister's Committee. What I think, I will be showing that there seems to be a lot of interaction between the bidding party, being Thomson CSF, you know,
10 either directly, or through various people, such as the person I mentioned, Yusuf Surtee as an interlockator. You know, clearly, this, eventually leading in, of course, to Thomson, through the South African company that was bought, ADS, winning the line share of the Corvette combat suite. I think the, the documentary evidence is fairly clear and
15 self-explanatory in that regard.

ADV SIBEKO: You say that the period, during which this interaction took place, late 1997 to 1999 is important. Why?

DR YOUNG: Because, sorry, because on the 23rd of September is when the SDP's were formally initiated. It might be 23rd of September,
20 when the RFI's and the request for information were received. But, certainly, it is in September 1997 that the SDP's were formally initiated as, as they, they govern themselves from these government to government offers. The period, up until the 8th of June 1999 is when the decision making Project Control Board formalised the selection of, of the
25 combat suite and its equipment, much of it being awarded to the French

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company, Thomson CSF and its South African subsidiary, if we may call it, ADS.

ADV SIBEKO: In your paragraph 587, you refer to an encrypted fax, dated 28 November 1997, from one Pierre Moynot of Thomson CSF.

5 What did this fax deal with? This is RMY 123, on said page 2776.

DR YOUNG: Okay. In most instances, I am referring to documents that also came out of the Shabir Shaik trial, because of course, that involved Thomson and this whole issue involves Thomson. In that particular case, we have French documents and where possible, I have
10 tried to provide the French document, the original signed document at first and the official English translation, done by Mr MA Spectos, your translator. So, the, of course, not speaking French that is what I will be referring to, in my evidence.

ADV SIBEKO: So, the, the English translation of that document starts
15 at page 2778 of the bundle. What is the significance of this fax?

DR YOUNG: Okay. Alright. Here, well, I suppose, for the contexts, we need just look at the very first point, saying:

"This afternoon, I met with the person, responsible for the short list, who confirmed the following points to me."

20 There is a note, here is the short list. So, they are not 100 per cent sure. Oh. Yes. Well, it is fairly clear, yes. They do not refer to the translator's notes, the French word le tailleur which means the cutter. Anyway, I think, it is now common cause. Because it was testified by the person, who wrote this document, I believe, it is Pierre Moynot, in
25 the court that le tailleur was Yusuf Surtee. The previous document, it

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introduces Yusuf Surtee, who he is. Anyway, it would seem that, as I have said, because it would, at this stage of the process, at least, it was Yusuf Surtee, who was acting as an interlockator, at least, as a conduit of information, between the French and the Deputy President. It is certainly interesting that somebody had his hand in the company's marketing documentation to somebody who is now formally involved in, in respect of the strategic defence packages. Whether or when MINCOM actually got formulated, I do not think that that is relevant. But, nevertheless, it is the interlockator, who says that the Deputy President is very satisfied, which I believe, about the offsets offered.

ADV SIBEKO: Were you reading that document from?

DR YOUNG: Sorry, it is at my page 305, somewhere, in the English translation, the bottom paragraph, starting with four.

ADV SIBEKO: What is the date of the document, you are reading?

DR YOUNG: The English version has got the 28th of 11th 1997 and if I loose my place and go back to the top and look at the French version, by the top, it is an encrypted fax again. Now, clearly very sensitive, it has the date the 28th of 11th 1997.

ADV SIBEKO: I, I thought the document you were referring to is the fax, dated 23/9/97, RMY 123, your DT 0165.

DR YOUNG: Yes, indeed. Yes, indeed. That is the first document that I opened. But, my, I guess I am wrong, you then referred me to the next document. That is why I am referring to that. But, be that as it may, I have got it here as if I am wrong. Both documents are relevant. But the first one is, really, to introduce, who this Yusuf Surtee is and in

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the context of what he was doing, as an interlockator, in respect of people in the South African government and with a very [indistinct] of Thomson CSF.

ADV SIBEKO: Now, but, in this translation of the document, you are referring to, it is at our page 2778, where, where is reference made to Yusuf Surtee, in this document? Which paragraph is this?

DR YOUNG: I am looking at page 3 of 4. That is just above the translator's signature. The last paragraph.

ADV SIBEKO: That is the last paragraph of that document?

10 DR YOUNG: Indeed, that is indeed correct, yes.

ADV SIBEKO: Anything else you need to refer to, in this document? Or can we move to the next document, our RMY 124?

DR YOUNG: No. It is suffice to say that this is who Yusuf Surtee is and what he was doing. It says:

15 *"He appears to be closer to Mandela than my first."*

So, so clearly, this is something that was, was ongoing, you know, at the top levels. Jean-Paul Perrier was the president of Thomson International.

ADV SIBEKO: Then, if we can proceed to RMY 124, which starts at 20 2780, your DT 0166, the English translation of which starts at 2782. That is the document you were considering, earlier on.

DR YOUNG: That is correct. I think I have dealt with the first sentence of paragraph 4, at the end of that page. But, carry on, it says:

25 *"To my question, as to whether, under present circumstances, our bid could have any chance, he said that we should submit it as soon as*

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possible. Then (this is the most important part) then a little later on, he repeated that he had obtained assurance from the Deputy President that we would be awarded the combat system and the sensors.”

And I think, that is my, well, the important point is this, at this early
5 stage, in September 1997, Thomson was getting the assurances, in the
beginning stages of the formal acquisition process. I talked about my
previous evidence, regarding price and that, is there growing confidence
of winning this thing. So, maybe growing is the wrong word. I think it, it
was not, it certain grew from the previous document to now. But,
10 certainly, this is a basis of the conduct, which they then proceeded to
negotiate their R2.6 billion contract.

ADV SIBEKO: You indicate at paragraph 588 that documentary
evidence indicated that Mbeki met with Thomson CSF Chairman and
other officials in France, during April of 1998. For that reference, you
15 refer us to DT 1-0192, our RMY 125, which starts at page 2785, with
what appears the English translation, at 2786. What passage would you
like to deal with, refer to, in that document?

DR YOUNG: We are referring here to the document, which is the
Chairman Ranque’s report, Chairman Ranque’s visit.

20 ADV SIBEKO: That is the document.

DR YOUNG: Yes. Okay. I, we skipped over an introductory
paragraph to this. I think, I had that open at the previous document. I
am sorry to go back, but I need to go back to the very last notes, no, it is
not the very last, it is in the last on this particular page. It is page 4 or 5
25 of the previous document, the one, where I say is the, the Deputy

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President's assurance that we will be awarded the combat system and the sensors. I did not quite finish that. It is an introduction sentence to the next, the next document, to which you are just referring.

ADV SIBEKO: [Indistinct] you can do the [indistinct].

5 DR YOUNG: Okay. It says, under the section that says II, other information that, I was reading the paragraph, it seems, below that. It says:

"My feeling is that our friend is certainly reliable and I believe that if we wish, if not to sell Corvettes."

10 Which was not Thomson's job, it was combat suites alone:

"Then at least, to secure the combat system and the sensors, a visit by JPP to the Deputy President should be arranged as soon as possible and should be used as an opportunity for him, to meet with Jacob Zuma."

15 Specifically, because that is an introduction of them, setting up, first of all, the meetings, to which I come and also this communication channel, using the interlockator, Yusuf Surtee.

ADV SIBEKO: We, we are now at that document, at page 2786. Any specific paragraph, you would like to draw the Commissioner's attention
20 to?

DR YOUNG: Yes. Here are some indicators as well. As I have also alluded to Pierre Moynot's evidence in the Shabir Shaik trial is, working the political route. This is documentary evidence of that. Again, this is another encrypted fax, clearly showing the sensitivity of it, by [indistinct]
25 again, Pierre Moynot and very high level people in Thomson. But,

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again, in paragraph 3 he refers to:

“The taylor told me that N Mandela would be there.”

He is trying to get the Minister of Defence and at the moment, he does not seem to think Thabo will be there. Be that as it may, that is not the
5 point I am trying to make. [Indistinct] meet him:

“The problem is that the priority goes to Mandela.”

There is also a reference in, in paragraph 6. He says, for JPP who is actually the vice-chairman of Thomson, this is in respect of a visit actually, by the chairman, Jean-Paul Perrier’s boss, Chairman Denis
10 Ranque. Clearly, the very, very, this must be really an important meeting, to meet Zuma. So, it is, certainly, it indicates there, wanting to us to meet, set up meetings with Mbeki. Of course, indicating directly of wanting to meet Mandela and a meeting with Zuma, as well.

ADV SIBEKO: Now, is there anything else you need to deal with in
15 that document?

DR YOUNG: No. I do not think so.

ADV SIBEKO: You proceed, in paragraph 589 of your statement that:
“Court records also show that on or about 17 December 1998, Mbeki
met with Jean-Paul Perrier, Michel Denis and Bernard de Bollardiere of
20 Thomson CSF of France at its head office in Paris.”

And you referred to your document, DT 1-0325, our RMY 126, which starts at page 1787. Do you have that document?

DR YOUNG: Yes. That is correct. I have it. It is at the very top, the indicated the last four digits of that number 4068.

25 ADV SIBEKO: What do those digits signify?

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DR YOUNG: That number is to indicate that this is a, I think, a DSO investigation document number. These are the documents that were, that came out of the Shabir Shaik trial.

ADV SIBEKO: Alright. Okay. For purposes of identification, that
5 document is on the Thomson CSF International letterhead and it is addressed to His Excellency, Mr Thabo Mbeki, Vice President of South Africa. It is dated December 18, 1998. What is the significance of this document?

DR YOUNG: Yes. It is not only the date of the 18th of December
10 1998. It is dated in Paris. It refers to a, as far as I can work out, from memory, a meeting that had been the previous day. Anyway, I am just trying to show that I do not read the whole document into the record, if I can avoid it. But, anyway, it is a thank you letter from, written by a senior executive, Bernard De Boilardiere, Senior Vice President of
15 Thomson. He is of Thomson International, on behalf of his boss, Jean-Paul Perrier, colleague, that thanking him for the audience granted, by us to your stay and we deeply appreciate your advice, relating to the present situation in South Africa. I think, ja, that the next, the next, the, the same letter refers to Her Excellency Ms [indistinct] Barbara
20 Massekela. Then, the next document is a letter, written in French to her. She was the, the South African Ambassador in France and that is further confirmation that the, the meeting did happen. I am sure that the thank you letter to both of them would not have been sent, unless it happened. But, clearly, at the bottom of this letter, there is a very important footnote
25 kind of thing. It says:

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“Enclosed a resume of Thomson CSF’s strategy in South Africa.”

And some of these, and a typed note after the fact:

“We are discussing at the moment with Futuristic Business Solutions (PTY) LTD.”

5 That is General Moloï, as in General Moloï became the Chairman of ADS. So, he was a Director of Thomson. I know, from the documents, you will see where, yes, indeed, I think that these are consecutive numbers. This is where somebody else’s numbering system is greatly assistance to me. The very next serial number of 4069 seems to be
10 relevant here.

ADV SIBEKO: That is the next page, 2788.

DR YOUNG: That is correct, yes. What is of importance that you want to draw the Commission’s attention to, in this document?

DR YOUNG: Well, there it is of crucial importance. But, certainly, the
15 date of the 18th is important. In that, it is something that was attached, you know, after the meeting. Anyway, it is in respect of, as it says itself, Thomson CSF, Naval defence programmes and it, it specifically refers to Thomson, which, as you know, was only involved in the, the Corvette combat suite part. It had no direct interest, at least, in the other part of
20 the SDP’s, including even the Corvette itself. It relates, it says the present note explains why the various interests of SAN and the RSA government will be protected, through ADS, under the umbrella of Thomson CSF. I do not think I need to go through all of this. But, I think it is, it is a fairly comprehensive document that, in my review of it,
25 cannot mean anything other, than their discussions with Thabo Mbeki. It

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was nothing else to do with the strategic defence packages, at this stage and of, of the 7th, I think the 17th of December 1998, which is a month after the preferred suppliers had been selected. So, at this stage, here we have the chairman of MINCOM interacting with, what is a
5 subcontract, at this stage. That in itself is interesting. The very final paragraph here is, or point is three, conclusion and it says and obviously, this was whether or not, it was discussed the day before, other than that I cannot, but at least, it was put to, it was put to Mbeki the day after in the context of the discussions. It says:

10 “By selecting ADS for the supply of the Corvettes and submarine combat systems, SAN (the Navy) will strongly help the future development of this company in terms of high level education and training, employment and technological capitalisation of the whole country.”

But, at least, it does refer to combat systems and both that I have tried
15 to indicate before, both for the Corvettes and the submarines.

ADV MOERANE: But, Chair, I think, the recent tender of evidence seems to violate the ruling that was made. The witness is trying to interpret a document, without, in the first place, identifying the offer and trying to connect it with the previous document, about matters, which he
20 has absolutely no personal knowledge of. It is, it is really our objection, of the tenure that this evidence is taking.

ADV SIBEKO: Chair, the witness has identified this document as a document taken out of the, one of the documents it a trial, involving Thomson CSF, a player in the combat suite. The witness, as in fact, I or
25 he has mentioned that, whether it was by design or [indistinct] that the

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series of the numbering was of assistance, to make sure that there is no doubt that the three, or that the entire document relates to the said matter.

You will notice that the document, which starts at page 2787 makes
5 reference to the programme, or the resume of Thomson CSF and that Thomson CSF started to in South Africa. There can be no doubt that this entire [indistinct] relates to the same transaction.

I would submit, with respect that the objection to the extent [indistinct] it seeks to suggest that there is, the witness has not demonstrated any
10 connection between the first document, at 2787 and the last two pages of that annexure. The objection is [indistinct].

It is indeed correct that the witness is not the author of this document and perhaps, he has no personal knowledge of it. But, the document speaks for itself.

15 CHAIRPERSON: Advocate Sibeko, I agree with you. The document speaks for itself. Now, what is the purpose of him reading the document, or trying to explain to us, what the document means? Once he has referred us to this document, I think that should be good enough.

He is not the author of that document and I am sure we do not need
20 his assistance to read the document. He has made the documents available to us. Let us move on. He does not have to read in detail, what this, what this paragraph means.

If you connect it with another paragraph and therefore, you come to this meaning. We do not need that. Once he has referred us to this
25 document, they are in front of us. We will be in a position to read.

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I think, that is where the objection is valid. We are going back to what he have been trying to resolve, for the rest of this week. He has referred us to the document. The documents are here. We will read them. Maybe try and make sure that you avoid, what we have been
5 trying to avoid for the, the whole of this week.

ADV SIBEKO: Indeed, Chair, we are trying. But, he, in the course of seeking clarity, as to how to deal with these documents, it was our understanding that once we refer to documents, then we say, or the witness identifies the point, he seeks to elicit out of the document, he
10 could do so, by referring to specific paragraphs. It was my understanding that this is what the witness was doing.

CHAIRPERSON: I, I agree with you, this is what we have agreed. But, I am not sure, whether I agree with you that this is what the witness is doing. He has been reading very extensively from these documents.
15 We do have the documents in front of us. We can be in a position to read them at, on our own time.

ADV SIBEKO: We shall try and stick to the, the ruling that is, or the terms of the ruling then. Please be mindful, Dr Young, when you deal with the documents, I want to [indistinct] the terms of the ruling, once
20 again.

DR YOUNG: I, I, sorry, I, with all respect, I do, I do need to state at this point. I prepared my witness statement and my evidence in a different way. I have given evidence many times in court before. I have never been confronted by a situation like this. If I, I think, my obligation
25 here to the Commission, to the public, to everybody is to give my best

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evidence. I cannot give my best evidence, if I cannot keep my train of thought. If I had known this before, by looking at other rulings, whatever, I do not think, were, I do not think were made. Then I might be, might have prepared my witness statement differently. But, I think, 5 generally speaking, it is unfair on me, to expect me to be able to keep my train of thought, by just saying, here, here is the relevant document, here is the relevant point. I do need to keep a train of thought. I think, I am giving reasonable evidence. But, I do need, in fact, my own interpretation of the discussions after the ruling, were that there was 10 some flexibility, is that I could address the important points. I am certainly, if I may say so, I do not want to be argumentative. I am certainly not reading out the entire 48 page documents. But, I am trying to limit myself to what is important, what is in the public interest and to keep my train of thought going.

15 CHAIRPERSON: Advocate Sibeko, I am sure you can tell Dr Young that that is not what I have said. Basically, what I am trying to say is that you must try and stick to the ruling that we made. I am not saying that it is not, he is reading the entire document. I am not saying that he is not allowed to read any portions of the document that he is referring to. I 20 am sure, if he tries, he can do better than what he is doing now.

DR YOUNG: Sorry, may I just ask you to repeat that last thing? Am I permitted to read the relevant parts, if they are not too long?

CHAIRPERSON: You are permitted to read the relevant parts. What I am saying is that, I am sure we can try to do better than this, to limit the 25 extent, to which you are reading. I am not saying that you should not

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read them at all.

DR YOUNG: Okay. Unfortunately, I have to say, I will have to treat this as a bit of a learning experience. I am trying to get better. But, I am doing the best that I can.

5 CHAIRPERSON: Yes, Dr Young, I think we were just about to start dealing with your DT0326. (indistinct) 127 where you mentioned that this is in support of your (indistinct) and 539 (indistinct) show (indistinct) of officials of (indistinct) CSF.

DR YOUNG: Yes. Indeed that is correct, but as importantly we would
10 (indistinct) that the (indistinct) I do know that it is written in French and I am looking an English version of it, but I think we date the meeting to the 17th... the 17th of December, the previous day and it also refers in the third paragraph down, you see that the letter was handed to her for further handing on to Mr Mbeki and of course it refers to the up coming
15 meetings in South Africa which also seems to indicate that they had met Thabo Mbeki again and there seems to be indications of at least an intention in lots of instances. I cannot say for (indistinct) for sure, but I think we can use the word (indistinct) meetings in terms of Novac, but if have look at the documents that I have in front of me. But again the last
20 sentence or at least the last part of the sentence, puts everything in context, without necessarily relying upon the footnote in the letter to Mr Mbeki, or the consecutive numbering of the documents, but it says if this is possible then we hope there will be time to able to discuss the subject of (indistinct) in our (indistinct).

25 Now unfortunately (indistinct) what is in black and white for us,

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the ADS JV can mean nothing other than (indistinct) Covette (indistinct) and nothing other than (indistinct) defence packages.

COMMISSIONER MUSI: (indistinct) I do not seem to quite understand
5 (indistinct) between this letter dated 13th of December and I see in your statement you have the 17th, but the letter is dated the 18th of December 1998. I cannot find a connection between this letter and the document (indistinct)

DR YOUNG: Okay, our ... I am just trying to work out what I
10 understood. Yes, both letters are dated the 18th and they refer to a meeting ... they are thanking somebody for the meeting so obviously the letter is written after the meeting. The letter to Pravin Masekela is thanking her for the meeting of the previous day, well it was certainly the previous date of the 17th and I do not think there is any other
15 interpretation that is reasonable at this stage, is that the meeting did not occur on the 17th. That certainly my conclusion. I think that is a reasonable and valid conclusion to make. Did I answer the question correctly and quickly?

COMMISSIONER MUSI: Yes, no, I follow that you draw that
20 conclusion, but this document that follows does not seem to be a (indistinct) of meetings. It seems that they are a document for such discussion and I am not sure by whom.

DR YOUNG: May I enquire what document ... when you say Commissioner Musi, the following document?

25 COMMISSIONER MUSI: Ja, the one that is annexed to

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Annexure RMY126, the one that follows (indistinct) on 2788.

CHAIRPERSON: Commissioner Musi, perhaps if I may assist. The witness has already (indistinct) if you have regard to what is in page 2787, the second last line, just below the signature, it says :

5 “Enclosed a (indistinct) of Thompson CSF Strategy in the Republic of South Africa.”

Now the next page which is an Annexure to the DSA (indistinct) at the top right hand corner, has Thompson CSF (indistinct) and it mentions there that :

10 “At present (indistinct) explains why the various interests of (indistinct) RSA Government will be protected through ADS under the umbrella of Thompson CSF”

And it sets out under paragraph 1 general strategy. The next page, paragraph 2 :

15 “(indistinct) programme.”

In paragraph 3 conclusion. That appears to be the resume referred to on the first page of that letter.

COMMISSIONER MUSI: I agree with that. But (indistinct) that reflects a meeting to any particular parties, for was it a discussion document
20 emanating from the (indistinct)

CHAIRPERSON: Commissioner, it is a (indistinct), it does not refer to a discussion document. It is a resume that is annexed to RMY, page 2787 of that annexure.

COMMISSIONER MUSI: Thank you.

25 **DR YOUNG:** Mr Chairman, if I may with some reluctance, I

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understand that you are referring to this document because (indistinct) involving (indistinct). I do not think that that is the position. I have since yesterday at 11 am sat on my hands and my fingers and (indistinct) which (indistinct) were numb. But I think that this demonstrates aptly
5 the dangerous part of the evidence or information (indistinct) this way. I simply wanted to record that (indistinct) argue that none of this is anything other than information. It is certainly not evidence.

CHAIRPERSON: Advocate Sibeko?

ADV SIBEKO: With respect, Chairperson, I would submit that the point
10 that is brought to the attention of the Commission, I am not certain whether it is an objection per se. But to the extent that it is sought to be suggested that these documents do not come from ... or are not evidence before the Commission, or do not constitute evidence elsewhere, I believe that is a matter that will be raised in the cross
15 examination, to allow the witness to deal with the such a matter.

CHAIRPERSON: Okay. I think then Advocate Sibeko let us continue. The question regarding the admissibility of these documents, can be dealt with at a later stage. Then Advocate Sibeko maybe if Dr Young can avoid to draw conclusions from these documents. Unless if he feels
20 that you know it is quite necessary for him to draw conclusions. Because I think that is part of the problem where he may read a document, get his own understanding and try and tell us what that document means. He can read them (indistinct) try and avoid drawing conclusions.

25 **MR TSATSWANE:** Chairperson, I do not know if this (indistinct) if the

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evidence leaders were to indicate to us whether the purpose of bringing this document to your attention, is to prove the truthfulness or the contents of (indistinct), or if it is simply to place it before you and say these documents exist and this is what they say, and you can then draw
5 your own conclusions from it. But this is ... they do not want to at the end of the day argue that the contents of these documents are true and correct. Then that may require them (indistinct) different considerations to (indistinct) and then the question (indistinct) of whether this witness can testify (indistinct) the contents of it. If he cannot, they must indicate
10 (indistinct) this document before you and then they can argue (indistinct)

CHAIRPERSON: Thank you, (indistinct) Advocate Sibeko?

ADV SIBEKO: Chair, it does appear as if we need to revisit the submissions that we made previously. This process is inquisitorial. It seems to collect information relating to allegations or the subject matter
15 of the terms of reference. These documents are being placed before you (indistinct) existence thereof. The witness not being the author of the documents, cannot attest to the truthfulness of the documents and he does not seek to attest to the truthfulness of the documents. Simply to say these are documents that perhaps seek to demonstrate the
20 existence of a particular fact, information (indistinct) in its fact finding process. We will deal with the contents of the documents at (indistinct) and make its findings regarding the truthfulness of the documents, and so forth.

So it is not the intention of this witness, as I understand it and it is not
25 the purpose of this exercise, to say that this witness cannot give

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evidence on the truthfulness of the contents of these documents. And in fact (indistinct) as I understand it. But all that is sought to be done through this exercise is to place information before you, which the Commission is gathering in order to make certain findings.

5 CHAIRPERSON: Right. (indistinct) do you suggest that we take the tea adjournment now?

ADV SIBEKO: I am indebted to the Chairman.

CHAIRPERSON: Then we will go on until six o'clock again today, or should we break earlier?

10 ADV SIBEKO: We can (indistinct)

CHAIRPERSON: We can try six?

ADV SIBEKO: Yes.

CHAIRPERSON: Thank you. I think let us come back at about ten to four. Thank you.

15 **(COMMISSION ADJOURNS)**

(COMMISSION RESUMES)

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

ADV SIBEKO: Dr Young, before the adjournment you were dealing with the (indistinct) demonstrating that Deputy President Mbeki at the
20 time, had met with officials of Thompson CSF. You made reference to the two documents and now you make reference, a further reference to the fact of the meeting of 17 December 1998, at paragraph 590 of your statement and perhaps before we deal with that, may I just remind you of the previous discussion we had with the Chairman, as well as the
25 objections that you have heard and the ruling that seeks to direct the

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tendering of your evidence through the documents.

DR YOUNG: Yes. My understanding is that I cannot read out entire documents but I can read out snippets of it that are relevant to the theme that I am trying to get across as well as identify the origin or the
5 source. Not the source of the ... the people who wrote the documents. That is my understanding.

ADV SIBEKO: We are now dealing with the document (indistinct) 128, it appears on page 2793 of our bundles. That document is written in French. There appears to be an English translation at page 2793 of our
10 documents.

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

ADV SIBEKO: At (indistinct) with regard to this document, starts at page 590 and it goes right up to 593, paragraph 593 of your statement. Can you just deal with that?

15 DR YOUNG: Okay. I suppose what I have said here in my 593, is self explanatory, but seeing that I have to give oral evidence as well, I do have to say something. Of course it is a little bit difficult to know exactly what to say.

ADV SIBEKO: I indicated earlier that your discussion on this subject
20 starts at paragraph 590 of your statement. It goes on to paragraph 593.

DR YOUNG: Yes. That is correct. Okay. I suppose it will suffice to address this document from (indistinct) a memorandum, I think. It is a recordal I will say of the same person who wrote the thank you letter of the meeting which I think happened on the 17th, had previously written
25 this document as indicated at the top by 780541 document. So it is in

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the same series of that. It is indicated as being written by BPP (indistinct) on the 27th of November 1998 and in English he records as meeting Mr Mbeki. I do not want to go through anything other than I have to. But there is a reference which supports what I say about

5 Thompson getting its share of the Corvette combat suite through its purchase of ADS and that is indicated half way down the page, where in brackets it refers to something involving our investment in ADS of R16 million. More importantly if you read the next block, it is just two paragraphs, and I think it goes well to support the contentions that I

10 have just made, about the interactions between Thompson as a sub-system supplier and the Chairman of (indistinct), which says (indistinct) already (indistinct) he had accessed six months ago to your President Mbeki, the Deputy President and at that time handed the name of a partner company (indistinct), that stands for Consolidated Network

15 Investments (indistinct) to play the black empowerment role in ADS and thus be our political guarantee. This company has since the (indistinct) trying to give this role to one of the member companies of the local consortium FPS, which seems to have the backing of the ANC. Besides a contact who we consider authorized Mr T Mbeki recently (indistinct) by

20 Mr JP (indistinct) that a (indistinct) member requirements (indistinct) black empowerment, we could receive a clear message from the President on the subject (indistinct)

ADV SIBEKO: You have set out your observations coming out of that and (indistinct) 593 of your statement.

25 DR YOUNG: Chair, did you say my paragraph 593?

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ADV SIBEKO: 592 and 593.

DR YOUNG: That is correct. Like I say it is difficult to avoid the conclusion that this was in respect of Thompson and ADS in respect of the Strategic Defence Packages and the combat suite in particular.

5 ADV SIBEKO: That is paragraph 5.5 and we refer to a further letter from Thompson which seems to suggest that there was this continued interaction between the company Thompson CSF and President Thabo Mbeki at the time. This is your document 0333, our RMY129 which is at page 2796?

10 DR YOUNG: That is correct. I think at the very least seeing that these are released (indistinct) it seems to me that they are looking at (indistinct) and these are genuine Thompson CSF documents, that at the very least one could conclude that that certainly was the intention of Thompson CSF, obviously not being involved... invited to the meetings
15 and then not being (indistinct) and having the minutes, I can only make my ... draw my conclusions from what I see in front of me. But certainly the first one is a request for obviously a further meeting, because it is stated the 15th of December 1999 and the indications seem to be that at least there were detailed arrangements made for such a meeting.
20 Particular dates set aside and a detailed itenary and on the bottom of that document, headed by number 7807360, it records a ... at least their intention and even the details of the meeting.

ADV SIBEKO: The document you are referring to as the itenary is our RMY130 at page 2797 for the record. Page (indistinct) section of that
25 document that you referred to.

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COMMISSIONER MUSI: (indistinct)

DR YOUNG: The section that I wanted to refer to that (indistinct) I am referring to the whole document with regards to the detailed itenary and the specific point I was coming to, was the very last little section there
5 above the sworn translator's signature, recording their intention or their arrangements to have meetings with Chippy Shaik on the 10th of February at 14:00. That does not sound like just an intention. It sounds like something pretty much organized. Of course this is in respect of somebody who has declared their conflict of interest regarding
10 Thompson and ADS and their interest in the Corvette combat suite, and Thabo Mbeki, Barbara Masikela and Johan (indistinct). So certainly (indistinct) that the meetings happened. It certainly seemed that there were fairly advanced plans made therefor.

ADV SIBEKO: At 596 you also refer to another document that you
15 have already referred to earlier in your evidence, RMY70 as proof of (indistinct) or as something demonstrating the interactions between Thompson CSF and officials in the South African Government?

DR YOUNG: Yes, that is correct. As I have ... as you have correctly pointed out this is a document that we addressed some time ago. I
20 have just opened it up again of course, and I think I initially introduced this in the context of Chippy Shaik's interactions with Thompson and the (indistinct) group that he was involved with regarding his brother Schabir Shaik and Jacob Zuma and of course Jacob Zuma was a high level political person, and I refer to the reference of the (indistinct) talks.
25 Of course it is juxta positioned a little further down. I do not know

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whether I have addressed this, but certainly (indistinct) the last sentence of paragraph 2 there, 2.2, and he would not have stated this if it was not relevant. He says :

5 “No (indistinct) that Jacob Zuma would be involved in the future Cabinet.”

And I will say that there are ... I do not know whether I have addressed it, but there are very strong other documentary indicators of Thompson’s meeting in London with Jacob Zuma.

ADV SIBEKO: Perhaps (indistinct) the document referred to
10 (indistinct) is at page 367. I apologise, it is referred to at paragraph 367. It is at page 1361 of the bundles at ... I think it is in file 4. I do not know, but it is just the reference (indistinct) the evidence that the witness has just tendered, emanates from that document. Now Dr Young, (indistinct) at 598 you start dealing with your conclusions or observations arising
15 out of the documents you have referred to. Could you take us through?

DR YOUNG: Yes. My understanding is that conclusions and an analysis is trespassing on hallowed ground, so (indistinct) I am directed to (indistinct) things and I would leave it at that.

ADV SIBEKO: So what is your contention that the documents that you
20 referred to demonstrates interaction between Thompson CSF and among other persons, Thabo Mbeki, Barbara Masikela and this is what gave rise in the confidence of Thompson CSF in its intended acquisition of the combat suite.

DR YOUNG: I think that is a very fair summary, but possibly just to
25 add and also (indistinct) is the ... it this is all true there cannot be any

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doubt that the acquisition process was working in a completely parallel political route, to the standard Nodac (indistinct) 147 (indistinct) it just cannot be right.

ADV SIBEKO: That (indistinct) in the theme of your statement as it
5 continues right up to paragraph 603 of your statement, would that be a fair assessment?

DR YOUNG: Yes, we could actually take it as far as 606, but if you would like me to address that particular document, I am quite happy to do so.

10 ADV SIBEKO: The document you are referring to is LMY131, which is your DT0433. LMY131, appears at page 2798, it is at the end of paragraph 604 of the witness statement.

DR YOUNG: Okay. I will address that document again. It is a French document written by (indistinct) the author of the encrypted fax. There
15 was a whole series of encrypted faxes as this one was (indistinct) written on the 17th of May 1999. (indistinct) you then come to the English translation of it and as we are aware, previously the French, Thompson CSF had had dealings with Barbara Masikela, by this stage the former ambassador of South Africa and then at that stage the
20 current ambassador of course in Paris and then the, one, two, three, the third and the fourth paragraphs are relevant and that is the French called Mrs Masikela as confirmed (indistinct) was authorized to handle matters on behalf of Thompson CSF and that he had all the confidence and she had (indistinct) okay, nevertheless maybe he had all her
25 confidence. This is a translation and that is why I was trying to gather

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my wits about what that means. Barabara also explained that for ethical reasons being an ambassador in Paris until 19 ... it says 1988, I do not know what the French version says, clearly 1998, it was not possible for her to be in a direct business relationship with a French company which

5 (indistinct) explains her association with J Krugel.

ADV SIBEKO: (indistinct) some interest that she had with Krugel from Thompson CSF according to this document it seems?

DR YOUNG: Yes. I pointed out one (indistinct) I think that there are quite a number that ... and I say this from memory is the person who

10 wrote this document Allan (indistinct), was the same ... in South Africa and there were very many interviews with either Barbara Masikela or Jurden Krugel, or both over I think the next say six months to a year, but over a considerable period of time. So clearly this just did not die at this point and there has to be some meaning behind this kind of business

15 relationship that (indistinct) has alluded to.

ADV SIBEKO: Now that would bring us to the end of your (indistinct) the interaction between officials of Thompson CSF and Thabo Mbeki who was the Deputy President at the time, with regard to the growing confidence of Thompson CSF in acquiring the combat suite. This then

20 brings us to our discussion of the conflict of interest relating to Chippy Shaik and this is a subject you started to touch on in various (indistinct). You start at paragraph 607 of your statement.

DR YOUNG: Yes. Of course this is a subject that is (indistinct), in the whole greater scheme of things. This particular (indistinct) heading

25 (indistinct) here is where (indistinct)together so I am going to try to avoid

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repetition. I think possibly as well ... there are possibly even some aspects that might even be common cause. Such as my paragraph 607. So mindful of the time and the rulings and the directives, I would try to go straight to the crux of the (indistinct).

5 ADV SIBEKO: Yes, as you correctly point out paragraph 607, 608 and 609 are (indistinct) is evidence before this Commission (indistinct) with these aspects. So you can go straight to the (indistinct)

DR YOUNG: Well, (indistinct) that 610 is also common cause that in May 1998 Shaik was appointed as the (indistinct) Chief of Acquisitions, 10 although he had been designated to take over this position (indistinct) point in time and then for the record it is important that position of Chief of Acquisitions is a very important one in respect of the authority and he responsibility as (indistinct). The special defence council which (indistinct) were funded and which is relating to things like the ... in the 15 147 which we will come to as well, I think it is fair to say that he was also in control (indistinct) and planning relating to all acquisitions of the Department of Defence.

ADV SIBEKO: Right, it also appears now to be evidence before the Commission. The issues set out at paragraph 6.11.1 up to 6.11.6. 20 Perhaps there is a point you want to make in the introductory paragraph of 6.11.

DR YOUNG: Well (indistinct) my point of view from a careful analysis of all documents to which I have had access as in these (indistinct) in summary of why on the one side of course a conflict of interest is a coin 25 with two sides, like most coins. The conflict of interest are the same and

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on the one aspect being an official representative and a fund manager and the Chief of Acquisitions. These are positions that he held and of course as what I think is common cause now, is that he himself ... he himself recorded this conflict of interest at the (indistinct) control board meeting on the 4th of December 1998, and of course the reason for that was ... okay, at that stage it was after the preferred suppliers had been selected by the Government and of course, when the ADS and the combat suite was coming into play. In this respect I would like to address other people's perspective of the so called why a conflict of interest existed and how (indistinct) there was a declaration of recusal.

ADV SIBEKO: You started dealing with that at paragraph 6.12 through the evidence of Mr Humphrey at the Section 28 (indistinct), is that correct?

DR YOUNG: That is correct.

ADV SIBEKO: And that is the document you have already referred to, KMY93 which is at page ... it starts at page 1739 of our bundles in file 5.

DR YOUNG: That is correct. I was actually just looking at the document itself and I have not done it, it seems to be page 1252 of the transcript.

ADV SIBEKO: 1252 of the transcript. Our page 1744 of the bundle. The passage you wish to refer to starts at line 5. Line 6.

DR YOUNG: That is correct. I think I have already disclosed who the interviewer is, it was Jan Swanepoel and I stand to be corrected, but he introduced the topic of the conflict of interest by saying: "While we are on the topic of the PCB the conflict of interest disclosed by Mr Shaik, do

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you know what he disclosed and (indistinct) who was at that meeting, well he says: "I was at the meeting when he made the disclosure. I cannot remember the exact words he used, but it amounted to the statement that he has family ... what I will say what is the word I am
5 looking for is a potential conflict of interest, because of family members being (indistinct) and the members have bought some of the companies involved.

The reason why I had to do that ... is because there was also oral evidence on the record that the conflict of interest involved
10 Chippy Shaik's wife, Serena Mohamed. He worked I think in Parktown at ADS in Midrand and of course she was only a PA, or sorry, I think a marketing assistant and that even in the most (indistinct) I do not think that admission might constitute a conflict of interest. But it is the family members who were directors in some of the companies involved.

15 ADV SIBEKO: Having dealt with that passage from (indistinct) evidence or interview, you then set out the instances in which Shaik you say actively promoted the interests of ADS while he held the position that you have already referred to in the preceding paragraphs.

DR YOUNG: That is correct and I think that ... of course I have not
20 had access to all the SOFCOM and AAC and (indistinct) meetings of which he was the secretary, but he does not ... first of all he only seems to be a recusal in certain instances of the Naval Project Control Board and certainly not everywhere, where the combat suite was discussed. He certainly did not leave the room like he testified that he did. He was
25 involved in the deliberations and (indistinct) in possession of any

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SOFCOM or AAC (indistinct) but I am not aware of any recusal in that regard, either or certainly when the combat suite was discussed in the MINCOM meetings, he involved himself in that.

ADV SIBEKO: You refer also in paragraph 616 (indistinct) that on
5 26 January 1999 Shaik briefed MINCOM on the combat suite for the Corvettes during which briefing he inter alia gave a presentation concerning the combat suite and in that regard you refer to a (indistinct) which is your DT1-0447 and RMY132 which starts at page 2800. Is that right?

10 DR YOUNG: That is correct, yes.

ADV SIBEKO: Is there any specific section of that minute that you wish to draw the commission's attention to?

DR YOUNG: Well, just the fact that it is MINCOM minutes and one of the few that actually seemed to make the public light of day, I think
15 legally as far as I can remember. I certainly obtained it legally. But Chippy Shaik is recorded as being the secretary of that meeting and I think his own evidence, that he was actually of all the (indistinct) meetings. But specifically that particular day. On the second page there is a section titled "Corvettes GFC" and in that particular, I think we
20 have gone through it before, that here is specific information regarding the combat suite, of which of course he has a conflict ... a declared conflict of interest and the (indistinct) specifically is the subject of those discussions and I think of course this was a particularly important decision made although I have said prematurely, on the 26th of May. It
25 certainly is the origins of the beginning of the end for the (indistinct)

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ADV SIBEKO: You also refer later in that paragraph 619 to Shaik and his name being mentioned in the German investigator's report. That we have already discussed. Is there anything else that you wish to add with regard to instances of his conflict of interest?

5 DR YOUNG: No, I think that we have actually sufficiently for these purposes at least, addressed enough of them to make my point.

ADV SIBEKO: I see as you turn the page, there are various other instances (indistinct) to page 159 where you will find paragraph 628, where you make reference to the evidence of Mr Swan and you say in
10 the introduction to that aspect :

"I believe that it is available and informative to gain the view of the Chief Executive Officer of Transport at the time Llew Swan regarding Chippy Shaik's involvement in the SDP's."

In an interview with the (indistinct) he (indistinct)

15 DR YOUNG: That is correct, yes.

ADV SIBEKO: And that is a passage you have lifted from Annexure RMY135. It is your transcript (indistinct) interview 2001 and 19. Annexure RMY135, it starts at page 2830 for the record. Do you have that document?

20 DR YOUNG: Yes, I have just opened it up. Unfortunately I do not (indistinct) pages long and this is a document that I only received I think last week and so I have hopefully at least extracted the relevant (indistinct). I have to be honest although it is a recorded interview, it was not one of the other series of Section 28 interviews. (indistinct)
25 obviously still known by the same (indistinct). This document is

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indicated as the Llew Swan, Brian Webber, Gilbert Swats and (indistinct) who were working for the JIT, but if I may say this is one of the worst recorded and transcribed documents, that I have ever seen in my life. So please excuse my recordal of what is in there. It is the best that I could do to cut and paste, and in the short time available. I think at the first glance of it, I have probably traversed it adequately but I wanted to do two things, one of course the evidence of Llew Swan and the recorded evidence has never ever been ... seen the light of day before. (indistinct) it is not even recorded in the JIT Report. But in respect of his view as a co-chairperson of the PCB, and the chief of service being a chief executive officer of ARMSCOR, I think that this view is (indistinct). Of course also of relevance is why this (indistinct) and unfortunately I can even see that the (indistinct) cutting and pasting was not so excellent, but (indistinct) at my witness statement starts off with (indistinct) Mr Shaik had the first PCB meeting. I am not sure everybody is on the right place there.

ADV SIBEKO: The passage that you are referring to is in your statement at page 160?

DR YOUNG: Ja, my page (indistinct) have been adding in things. So mine is page 162, but I am pretty sure ... it is paragraph 629 about half way through that recordal of what Llew Swan had to say.

ADV SIBEKO: That passage is ... it appears at our page 2864 of the bundle. Page 2864. Yes, that is the passage where it says :

“Mr Shaik had at the first PCB meeting stated that he had a potential conflict of interest with ADS.”

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DR YOUNG: That is correct. I have found (indistinct) in the PDF document which (indistinct) have to be quite honest (indistinct) a poor transcript and transcription. In all respects I do not want to read out every word including the exclamations it seems to be. So if I may refer to what I recorded in my
5 witness statement. Unfortunately this is just an indicator that what (indistinct) it starts just after the word ... sorry the non word "Eee" (sic)". It says :

"the reason that I (inaudible) was that it was up to the Department of Defence, they appointed Mr Shaik. He had to be in that meetings, and (inaudible) the information to the ministers as such, and he was the
10 secretary, he was the **go-between relaying information**, and, and that was (inaudible) to say whether he should be in a meeting or (inaudible). The secretary of defence and that department should have made, in my view, and that is my personal view, should have made the decision on this (inaudible). (my emphasis in bold text)"

15 And I think that although it has been recorded as poor ... I think the point he is trying to make across is that it was not just Chippy Shaik himself, but in fact we will come to that. You see everybody from Minister Modise and Minister Irwin, everybody knew of this conflict of interest and yet they carried on allowing him to act as a go between, between all these different levels,
20 from at least of PCB right up to MINCOM. In fact I have seen... have evidence I think from Shaik himself where he says as chief of acquisitions he was ... I think he might have actually (indistinct) in these proceedings, that he was also a go between with the other departments regarding ARMSCOR and the Department of Trade and Industry. So he was all over the place and that
25 influence certainly comes through and my view is that that should not have

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been allowed to happen, because all of these different worlds (indistinct) are meant to ring fence the decision making at each level, certainly (indistinct) between two levels and not right across the board, and that is one more thing ... it was why ... one of the reasons why in my view things went wrong. If I

5 may go on to the next point. Gilbert Swats says :”

“As a board member it was not of concern to you that he may have been privy to information relating to.”

Unfortunately it stops. And of course this is regarding to my view what other people’s view were of a conflict of interest. It is not just sitting there and even
10 walking out of the meeting. It is one (indistinct) contact whatsoever and even here is a recordal of having been privy to information and that Llew Swan’s view, is yes, it if proved to be a conflict of interest, yes definitely. I think Gilbert Swats asked :

“Just to clear the position Mr Shaik (inaudible) Although you have
15 indicated that you personally did not (inaudible) in decision making on the combat suite. Would Mr Shaik or any of them would have had access to any of the documentation in relation to that project?”

And Mr Swan’s response is :

“Mr Shaik had access to all the documentation.”

20 I think that is a pretty important point when it comes to the way the conflict of interest existed and it was actually handled.

ADV SIBEKO: Having dealt with that transcript I suppose you were seeking to demonstrate that indeed there was clearly a conflict of interest, also through the eyes of other persons who dealt with him and you deal with this
25 at 630 and 631 of your statement.

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DR YOUNG: Yes, that is correct.

ADV SIBEKO: Anything else you wish to add, other than what was said in your statement, before we go to what he said before this Commission?

DR YOUNG: No, I think that would probably suffice.

5 ADV SIBEKO: And as you point out at page ... paragraph 632 with regard to an opinion that you have formed, dealing with this conflict of interest you have referred to his evidence before this Commission. Is there anything specifically there that you want to traverse?

DR YOUNG: Yes. Not in great detail. I think it is fairly clear what I have
10 set out there. Perhaps what I think is important is that if you declare a conflict of interest then whatever it may or may not have been, then it becomes real. It is not whether you say it is a potential or possible whatever, once it is declared and a recusal is sought from the relevant authorities, the board, then it becomes real and trying to get an opinion in the year 2000,
15 does not remedy ... not so much the conflict of interest because that is a reality that just becomes to exist. But the most important part of it, is that it does not condone the contravention of the conflict of interest, as seems to be the reasoning for getting a legal opinion in 2000. And the point I am really trying to make from my own perspective is, by getting a legal opinion of
20 doubtful validity and with no ill respect to ... I think now Advocate Caroline Dreyer, is that she said herself it is a qualified opinion because it is based on really very little information, in fact the sort of information that her (indistinct) just could not possibly be (indistinct). But the point I want to make ... the point is that there was a conflict of interest that was declared and by later
25 giving an opinion to say (indistinct) conflict of interest, could not have wiped

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clean the conduct that happened between the 4th of December 1998 and the ... let us say the 3rd of December 1999 when the contract was signed.

ADV SIBEKO: Right, go to paragraph 633 of your statement. I think including its sub-paragraphs up to the end. The sense I get is you set out all
5 instances in which you say the conflict of interest that he says he declared, was not necessarily (indistinct) as he acted in various manners (indistinct) in a number of ways which demonstrated that he did not act in accordance with a person who has an interest in the subject matter, that is dealt with by the bodies, or the various bodies he has been a member of.

10 DR YOUNG: Yes, that is a fair summary.

ADV SIBEKO: Do you wish to add any comment to that?

DR YOUNG: Just to make myself ... my final point (indistinct) paragraph 635, I think in many respects the JIT Report contains a lot of useful information, but it does not make one key finding in that ... and which I want
15 to take issue with, is that it says Shaik's recusal was no recusal at all. I do not think that is a correct way of actually summing it up. His recusal was a recusal. It was formally recorded and then at least according to his version, and actually many other people's version, even the Chief of the Navy, (indistinct) also is (indistinct) extensively he did follow a recusal. But
20 (indistinct) cannot be no recusal at all. It was a recusal without (indistinct) is that his conduct thereafter was directly in contravention of this actual recorded recusal.

ADV SIBEKO: That then brings us to your discussion of matters relating to Vice Admiral Robert Simpson-Anderson. It starts your discussion thereof at
25 your paragraph 636 at page 165 of your statement.

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DR YOUNG: Yes. I am looking at this now and when I was reading the entire German investigation report into the record, the one that the Chairperson advised us that he was in possession ... had been in possession of, I think that at least some (indistinct) there in that we have addressed this point. (indistinct) I cannot see actually anything which I need to re-address to my point. At the end of 642, which is (indistinct) investigations. I think actually by reading that report (indistinct) at least some of it, it was not all of it, into the record, is that I have adequately (indistinct)

ADV SIBEKO: (indistinct) your statement correctly, is that you have adequately addressed the theme under the heading, "Abandonment of the investigations"?

DR YOUNG: Yes. Possibly if so, I do not get accused of remitting (indistinct) anything, this is just my paragraph 640, I was at the (indistinct) of the public protector hearings and in fact Vice Admiral Simpson-Anderson was one of the two Navy witnesses who was called to rebut my evidence and I am afraid to say that he gave evidence where he basically supported the position of Chippy Shaik and his so called recusal, conflict and recusal, but I am afraid to say any analysis of the documentary record of it, just cannot accord with the other documentary records which are the (indistinct) the records of which Admiral Simpson-Anderson was also a co-chair. It is absolutely clear and it is also clear from a very detailed analysis done by the JIT Report, of the meetings which Chippy Shaik attended, chaired, where he recused himself or recorded it, where he walked out, where he came back and it just does not accord with Simpson-Anderson saying that he properly recused himself. So I just did want to make sure that that ... that anybody

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thought I was trying to avoid that particular statement in my witness statement.

ADV SIBEKO: Alright. If I understood you correctly the discussion starting at 642 relating to the abandonment of the investigations, you say you have
5 addressed adequately previously in your evidence, is that correct?

DR YOUNG: Sorry, I am just trying to gather my thoughts here.

ADV SIBEKO: Do you want me to repeat?

DR YOUNG: Sorry, I cannot remember addressing this point at all, well certainly not in detail. So if you could remind me where I stated that?

10 ADV SIBEKO: No, I thought I heard you say that you have addressed the theme dealing with abandonment of the investigations. You did not say that?

DR YOUNG: Well, I am sorry if I said that. I certainly did not mean it.

ADV SIBEKO: Now in the context of your evidence this theme relating to the abandonment of the investigations, how does that become relevant to the
15 terms of reference of this commission?

DR YOUNG: I think what is relevant is that the whole issue of bribery and corruption which (indistinct) trying to you know to address in these ... in this kind of quasi legal forum. It would have been addressed far more vigorously if what I had initiated at the request of another witness still to come, the SA
20 Colonel Johan du Plooy and who are both witnesses and I do not know what he is going to say, and I certainly did not what to have (indistinct) to tell the whole truth, I think it would be remiss of me to admit this, but certainly I can leave out most of it in terms of traversing it in detail now. But other than to say that I formally did note an affidavit to the Knysna Police Station and it
25 was picked up by the of course the Director of Special Operations, who

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maybe at that stage was not (indistinct) it was the DPCI and despite a substantial amount of effort, strangely that whole effort regarding bribery and corruption involving Chippy Shaik and Thyssen (indistinct) which I have ventilated in some detail, just kind of disappeared off the radar and if they
5 had (indistinct) then I do not think that I would have needed to even be sitting here today.

COMMISSIONER MUSI: I did not hear the people (indistinct) talk about (indistinct) what I had initiated at the request of another witness, (indistinct) then there was mention of Colonel Du Plooy, I did not understand what you
10 were saying. Can you clarify?

CHAIRPERSON: Commissioner Musi would like for you to clarify what you have mentioned in your evidence, that you have initiated a process to report allegations of corruption between Chippy Shaik and Thompson and that in doing so you have referred to another witness. He seeks clarity on the other
15 witness that you are referring to.

DR YOUNG: Yes. Starting with (indistinct) first. The other witness is Colonel Johan du Plooy. I see he is on the Commission's latest list of witnesses. I am not quite sure when he is going to appear, but it is certainly going to be after me in the next two to four weeks. But what (indistinct)
20 context is way back before I submitted my affidavit to the Knysna Police Station, I became aware of the corruption, the bribery to which I have given a substantial amount of evidence, specifically the (indistinct) agreement, ostensibly between Thyssen and Christoph Hoenings, and Chippy Shaik and I had communicated a number of times with the relevant ... that I knew
25 existed because I actually first of all had been requested by them that I visit

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them and (indistinct) building here in Silverton Pretoria and the (indistinct) sort of Advocate (indistinct), Advocate Anton Steynberg, Colonel well he was senior special investigator, Johan du Plooy I have mentioned. There was special investigator Isaac du Plooy and I of course was in communication

5 with them. I was also on the witness list for the Schabir Shaik trial, way back when. So of course I had an interaction with that team. I do not think I am giving away any confidences here, but that whole issue of bribery and corruption involving the corvette combat suite, was what they called (indistinct) project (indistinct). I think is a Malaysian word ... a Malaysian

10 word which means a specific (indistinct) as regards at least friendship. Financial friendship, and so I was in continuous contact (indistinct) in the public domain and going way back when, I cannot quite remember, I have written a number of e-mails ... I can certainly find them if I have to, I do not think it is necessarily relevant, but I had sent e-mails or requested further

15 investigation and these fell on deaf ears and until a year or two later and where I suddenly got a request from Colonel du Plooy to depose to this affidavit, because by that stage they had received similar information to what I had and (indistinct) she had moved from the Directorate of Special Operations to the Directorate for Crime Investigation. And I had met him

20 formally speaking loosely in this particular context. I could describe him as my case officer and he requested me to put in this formal statement through my local police station, at that stage in Knysna because in the police maybe unlike the DSO and the DPCI, (indistinct) is that an investigation (indistinct) of this nature cannot be initiated by them themselves. You need a complainant,

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so even though I had indicated and informed him by e-mail of my complaints, I needed to do this formally.

So I did it. I spent actually a good two weeks of my Knysna vacation constructing this affidavit. I do not know whether they have included it here, but it is actually quite similar to the one that I am putting to the Constitutional Court (indistinct)

ADV SIBEKO: And you say nothing came of those investigations until this Commission was established?

DR YOUNG: Yes, something did become of them, but not necessarily “become” in the positive word. Much to my disappointment (indistinct) and for no reason in my view at least being the official complainant, I think I have a valid view on that, is that the ... what they call it the Hawks, the Directorate (indistinct) investigations going way back when, and I think the document that I have in the record is a memorandum. It itself is undated, but it clearly (indistinct) that that was attached in terms of the (indistinct) just going back a couple of years now.

CHAIRPERSON: I am sorry, Dr Young. (indistinct) maybe there is something that I missed.

ADV SIBEKO: I think we had started to finalise this (indistinct) and some clarification was called for.

CHAIRPERSON: No, that I understand but I mean how (indistinct) of Colonel du Plooy how can I(indistinct) if it is not going to help us to get out (indistinct) (indistinct) maybe it is something that I am missing. (indistinct) you mind just saying that to me.

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ADV SIBEKO: (indistinct) the witness as he pointed out that these investigations have been carried out, (indistinct) and today as he has already stated. Is that a fair summary?

DR YOUNG: Yes, I think that is a fair summary

5 ADV SIBEKO: Now having come to that moment, I believe we would then get to paragraph 671 of your statement, where you deal with Nortje's to the APC. That appears at page 173 of the statement. It starts at paragraph 671.

CHAIRPERSON: I am sorry, Advocate Sibeko, this portion of the evidence, how long do you think you are going to take? More or less?

10 ADV SIBEKO: Chair, it is ... I am not quite certain because there are certain aspects of the transcript that the witness seeks to traverse. After which there will be certain aspects of (indistinct) that he seeks to (indistinct)

CHAIRPERSON: (indistinct) on this session. I understand that he has a portion (indistinct) how long (indistinct)

15 ADV SIBEKO: (indistinct)

CHAIRPERSON: Are you able to give an estimate?

DR YOUNG: Yes, as I said (indistinct) an analysis of where we were and where we are going and I have indicated (indistinct) an hour and 30 minutes.

ADV SIBEKO: He says about 30 minutes.

20 CHAIRPERSON: I am being told by my fellow Commissioner who has been pushing me, apparently we feel the way you felt the day before. And so it was a suggestion that maybe we adjourn now and start early tomorrow at nine o'clock. That was the purpose of the question. (indistinct) an objection, we suggest that you know we adjourn now and you know start tomorrow
25 morning at nine o'clock. I am sure (indistinct)

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ADV SIBEKO: I was having (indistinct)

CHAIRPERSON: Can we adjourn? We will start tomorrow morning at nine o'clock. Thank you. We have now adjourned.

PROCEEDINGS REMANDED TO 13 MARCH 2015

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(PROCEEDINGS ADJOURN)

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