

BEFORE THE SOUTH AFRICAN PRESS APPEALS PANEL
(HELD IN GAUTENG)

In the matter between

BUTHELEZI, SIBUSISO BLESSING

Appellant

and

INDEPENDENT NEWSPAPERS (PTY) LTD
t/a THE STAR

Respondent


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Dated at Randburg on the 29th day of September 2011.



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THE PRESS OMBUDSMAN**

The Honourable Ralph Zulman

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BEFORE THE PRESS OMBUDSMAN OF SOUTH AFRICA (GAUTENG)

In the matter between

BUTHELEZI, SIBUSISO BLESSING

Complainant

And

**INDEPENDENT NEWSPAPERS (PTY) LTD
t/a THE STAR**

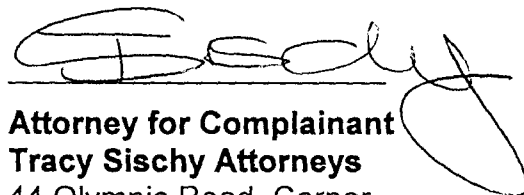
Respondent

FILING SHEET

Documents presented for filing:

Complaint in terms of the South
African Press Code and
Complaint Procedure

Dated at Randburg this the 11th day of May 2011.



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BEFORE THE PRESS OMBUDSMAN OF SOUTH AFRICA (GAUTENG)

In the matter between

BUTHELEZI, SIBUSISO BLESSING

Complainant

and

**INDEPENDENT NEWSPAPERS (PTY) LTD
t/a THE STAR**

Respondent

**COMPLAINT IN TERMS OF THE SOUTH AFRICAN PRESS CODE
AND COMPLAINT PROCEDURE**

1. On or about 8 November 2010 the Star Newspaper published an article by Anel Lewis with the heading "***DA to sue after Gauteng ignores R50 million overspent***". Same is attached hereto as **Annexure A**.
2. **The Star failed to verify the contents with or to seek the views of Mr Buthelezi and GNS prior to publishing same.**
3. It fingers Buthelezi as the culprit who appointed GNS Risk Advisory Services (GNS) and implies that such appointment was illegitimate, and that GNS overspent with R50 million Rand which alleged losses are attributed to Buthelezi. The article contains several inaccuracies.
4. G-Fleet Management (G-Fleet) with offices in Bedfordview and Koedoespoort is a Trading Entity of DPTRW.
5. The Urban Transport Fund (UTF) is also a Trading Entity of DPTRW.
6. Both these Trading entities had been granted the necessary decision making authority without any undue interference by the department in their day to day operation.
7. Mr Buthelezi was previously employed by the Department of Public Transport, Roads and Works (DPTRW) as head of Department. From what

is stated herein it will be clear that G-Fleet and UTF independently appointed G-Fleet. It is therefore untruthful and inaccurate that Buthelezi caused GNS to do work for G-Fleet and UTF.

- 8. It is nonsensical for the Star to state that Abalozi costed R24 million per annum cheaper than GNS as it is the same company.
- 9. It is untruthful and inaccurate that GNS was “**exorbitant**” and a “**giant rip-off**”.

MISS Act of 1996 and National Key Point Act of 1980

- 10. In terms of the MISS Act (Minimum Information Security Standards) the head of Department bears responsibility for the provision and maintenance of security. It's institution must have a security policy in order to maintain information security and physical security.
- 11. The Auditor General as part of it's standard audit considered at the appointment of GNS, it's scope and it's fees and didn't make any adverse finding against GNS.
- 12. It is denied that a monthly budget of R1,2 million was allocated to do risk assessment for the DPTRW.
- 13. Sensitive documentation must be classified as either restricted, confidential, secret or top secret and there must be processes in place to strictly observe same.
- 14. Further, certain personnel starting from deputy directors and up must be vetted and obtain about security clearances.
- 15. Certain safety protocols must be followed with computer communications.
- 16. Physical access controls must be in place. Different levels of control must be developed and applied according to the safeguarding required. GNS

was therefore also *inter alia* appointed to help G-Fleet, the DPTRW and UTF to become MISS Compliant.

G-Fleet Management and GNS

17. It is further untruthful and incorrect that GNS provides guarding services. Guarding services means that it employs guards who works at minimum wage. GNS does not do guarding services, it renders inter alia asset surveillance services. GNS has a variety of specialists with experience in criminal law, finance, due diligence, forensic audits, law enforcement, military regulation, research and security.
18. G-Fleet provides vehicles to all the Gauteng state organs and to several state organs outside Gauteng, including certain National Departments.
19. Fraud at G-Fleet was rampant. Vehicles were stolen on a weekly basis. Cars would leave for a temporary assignment and never return. About 10% of all cars would be stolen which equals about 600 cars. There was also a daylight robbery where 3x Toyota Quantums each worth about R250 000,00 were stolen.
20. G-Fleet had guards posted but it didn't help to reduce theft and fraud at G-Fleet. Various stakeholders within the Provincial Government including the National Intelligence Agency (NIA) pressurised G-Fleet to address these problems.
21. G-Fleet appointed GNS on or about 6 July 2006 to do a risk assessment. G-Fleet then on 27 November 2007 signed a document titled "*G-Fleet Charter for provision of integrated security and risk management system including strategic support*", which includes a comprehensive security strategy in response to the risk assessment provided in terms of the contract of 6 July 2006, attached hereto as **Annexure B**. Also note that the agreement is signed by G-Fleet and GNS. It is therefor G-Fleet that appointed GNS and not Buthelezi who introduced GNS to the G-Fleet, UTF or DPRTW.

22. GNS first did a vulnerability audit and a AS-IS report on the G-Fleet processes. It then introduced a new security infrastructure and control mechanism like comprehensive CCTV access control policies, and a control room where CCTV footage is manned and monitored by GNS officers who takes action when a vehicle is stolen. They would also erect a command centre where investigators are permanently based to monitor all activities within G-Fleet, report suspicious activities to the supervisor of command centre, facilitate recovery of stolen vehicles and spare parts, investigate all previous incidents of stolen or abused vehicles at G-Fleet, create an enabling environment for G-Fleet to provide service delivery to the state. Qualified staff were appointed such as project directors, project managers, experts, data analysts, investigators, reaction agents and the like. They developed a database of all stolen vehicles, relevant crime syndicates, and scrap yards. *
23. The minimum wage guards initially posted by G-Fleet were insufficient to fend off the robbers. The ~~guards~~^{GNS} later posted by GNS were highly trained officials who *inter alia* formerly worked for the NIA, military intelligence and the like.
24. Guarding by it's trained officials was however only a small component of the work done by GNS. If you want to make a comparison of the prices charges by GNS and other parties you have to compare apples with apples, which is not the case here.
25. GNS rates were in accordance with the Department of Public Service and Administration rates for consultants published in the Government Gazette in January each year. Their fees are therefore not "a giant rip-off".

GNS and DPTRW

26. The Gauteng Department of Public Transport, Roads and Works (DPTRW) is responsible for developing maintenance and custody of most of the Gauteng Provincial Government Assets.

- 27. Risk assessment of Department's strategic assets is required in terms of the National key points Act of 1980.
- 28. The DPTRW was under pressure by several stakeholders including the NIA (National Intelligence Agency) who did a general assessment of the security risk the DPTRW was exposed to and it wasn't satisfied with the capacity, state of readiness, or it's compliance with it's system and procedures in terms of the MISS Act. The Public Service Commission also asserted pressure. The MEC at the time noted the stellar performance GNS provided to G-Fleet and it's success in combating theft and the like.
- 29. As GNS was already appointed by G-Fleet who is a Trading Entity of the DPTRW, the DPTRW didn't need to go through the tender process again to appoint a contractor. Buthelezi did however notify the DAC and TEAC of it's appointment of GNS.
- 30. GNS was *inter alia* appointed to do a threat risk assessment, and visit 108 sites to do an "AS IS" risk analysis report, and to also help the DPTRW to be MISS Compliant. Only a company that is accredited with NIA can help DPTRW to be MISS complaint.
- 31. GNS would do risk management, investigative assignments, gathering of information, due diligence and provide advice, and similar work as rendered to G-Fleet.
- 32. Some of the infrastructure Assets are critical for the functioning of the Government and require amongst others, the security assessment for risk exposure in terms of the National key points Act of 1980. In terms of the Act certain places are demarcated as National Key Points e.g. the Airport, SABC, Vaal Dam and the like. DPTRW would consider applying to have G-Fleet demarcated as a national key point (as it houses about 6000 government vehicles at any given time) and train all personnel to the minimum standard as qualified National Key Point Security Officers. DPTRW however didn't have the internal capacity to do same.

33. **The DPTRW Mandate to GNS included the following.**
- 33.1 Conducting a Threat Risk Assessment (TRA) at the DPTRW and all its entities;
- 33.2 Repositioning of the security departments (DPTRW and utilities);
- 33.3 Facilitating the Classification of projects and information at the DPTRW and all its entities in conjunction with NIA;
- 33.4 Ensure compliance with MISS, which *inter alia* deals with the classification of sensitive projects and documents such as the Gautrain, I3S (Implementation of Integrated Safety and Security System) which involves sensitive security designs and foreign nationals are part of the project, and the possible implementation of the Monorail project. The DPTRW did not have the internal capacity for the implementation of these security guidelines.
- 33.5 Training on MISS for all DPTRW staff with regards to specific security responsibilities and sensitise employees and relevant contractors about security measures and to project sensitive information.
- 33.6 Ensure information security; and
- 33.7 Periodic audits and incident management.
- 33.8 Facilitate the vetting of senior employees in conjunction with NIA.
- 33.9 Ensure compliance with the National Key Point Act of 1980;
- 33.10 Classification of Projects and Information.
- 33.11 Risk Assessment of the Departments' Strategic Assets for compliance with National Key Point Act of 1980.

- 33.12 Update the Project Communication and Stakeholder Management Strategy and Plan.
- 33.13 Define a DPTRW internal and external Communication Strategy and Plan.
- 33.14 Restructuring of Security Unit.
- 34. It is denied that GNS didn't do a risk assessment for DPTRW. Before the DPTRW paid GNS it received detailed invoices, timesheets and monthly reports. GNS did a risk assessment for the DPTRW and subsequently a comprehensive security strategy. A copy thereof is attached hereto as **Annexure C**. GNS would also continuously update it's threat and risk assessment.

GNS and Urban Transport Fund

- 35. The UTF had a major burglary. Subsequent to it's Information Technology Command Centre being refurbished with brand-new computers, servers and other equipment it was raided by a gang who stole everything. UTF therefore *inter alia* appointed GNS on or about 25 January 2008. See the agreement attached hereto as **Annexure D** titled "*UTF Monitoring and Compliance Services Project Charter and Implementation Plan*". Due to it's volume it will be forwarded separately. In terms thereof GNS was appointed to:
 - 35.1 Do an AS-IS Assessment;
 - 35.2 Reclassification of projects and information;
 - 35.3 Provide ongoing Technical Surveillance and Counter measures for 13S command centre process;
 - 35.4 Research and classification of key projects in the UTF;
 - 35.5 Personnel screening and;

- 35.6 Monitoring and observation of the 13S process;
- 35.7 NIA vetting of personnel and information security;
- 35.8 Develop compliance monitoring tools and do compliance monitoring;
- 35.9 Continuous monitoring of UTF assets.
- 35.10 Ensure compliance with the MISS Act, National Archives Act, National Key Points Act and other relevant legislations;
- 35.11 Timely identification, assessment and mitigation of risks and exposure;
- 35.12 Improved information management and security;
- 35.13 Increase in security management activities.
- 36. The scope of work included:
 - 36.1 Facilitation the classification of key strategic projects and information at the UTF in conjunction with NIA.
 - 36.2 Developing procedures to ensure compliance with MISS;
 - 36.3 Establish a system of Continuous MISS compliance monitoring.
- 37. It is therefore denied that GNS was paid R410 000,00 a month for guarding services at the UTF's command centre.
- 38. **In summary the Star published the following untruthfully and inaccurately.**
 - 38.1 That Buthelezi overspent with R50 million on GNS. ✓

38.2 The Star failed to state that it is fact G-Fleet that appointed GNS first on or about 6 July 2006, and DPTRW and UTF also appointed GNS later because of it's sterling performance. ✓

38.3 That Buthelezi introduced GNS to G-Fleet and UTF.

38.4 That GNS and Abalozi rendered the same services and that Abalozi did it for R24 million less per annum. ✓

38.5 It advises that Abalozi is cheaper than GNS when it is the same company. ✓

38.6 That GNS's fees are "exorbitant" and a "giant rip-off". ✓

38.7 That GNS overcharged G-Fleet, UTF and DPTRW.

38.8 That GNS charged R848 160,00 per month for guarding services to G-Fleet in Bedfordview.

38.9 That GNS charged R260 400,00 for guarding work for G-Fleet in Koedoespoort.

39. That a monthly budget of R1,2 million was allocated to do risk assessment for the DPTRW.

40. That GNS didn't do the risk-assessment for the DPTRW as referred to in paragraph 38 above.

41. That GNS claimed R410 000,00 per month to guard UTF's command centre.

42. It states that Pothlako Security and Cleaning, Pholile Business Solutions and Freedom Fighters Security Services rendered the "same service" as GNS.

43. **In summary the Star didn't report the following in context, or in a balanced manner or omitted relevant information causing a distortion:**

43.1 *The Star states as follows:*

"The controversial contract awarded to GNS Risk Advisory Services in October 2007 without an open tender process was terminated in March this year. Bloom estimated the Department overpaid more than R50m on the contract before it was stopped. I was a giant rip-off." The Star's allegations that the appointment of GNS is controversial and without an open tender process and that as a result the DA's Jack Bloom will lay a charge of financial misconduct against Buthelezi imputes and was understood by the Star readers that Buthelezi didn't appoint GNS legitimately.

44. It doesn't extinguish clearly that DPTRW, G-Fleet and UTF each appointed GNS independently and that GNS contracted/rendered services with each entity independently. EK

45. It doesn't state that GNS rates was determined in accordance with the Department of Public Service and Administration's rates published in the Government Gazette.

46. It doesn't state that the Auditor General didn't make any adverse findings about the appointment and costs charged by GNS.

47. The Star has personal knowledge of the date of our client's termination of employment with the DPTRW with effect from 30 November 2009 as evidenced by its publication thereof at the time. The Star blames Buthelezi for the "*R50 million overspent*" but fails to mention that Mr Buthelezi was as of 30 November 2009 no longer in the DPTRW employ and in fact was suspended since 14 July 2009 and could therefore since 14 July 2009 not authorise any payment to GNS nor play a role in determining whether GNS rendered value for invoices issued.

- ✓ 48. **The Star failed to verify the contents with or to seek the views of Mr Buthelezi and GNS prior to publishing same.** 13
49. **The Star failed to exercise exceptional care and consideration of Mr Buthelezi who is a natural person, and who is no longer employed by DPTRW.**

Relief sought

50. That the Press Ombudsman grants condonation for late delivery hereof. That the Star should make amends for publish information or comments that is inaccurate by promptly printing with appropriate prominence a retraction of its publication of 8 November 2010, alternatively in consultation with Mr Buthelezi prints a correction which deals with paragraphs 37 – 48 above.

Condonation

51. At the time of the publication of the article Mr Buthelezi was not in the employ of DPTRW for some time and as a HOD he used to deal with hundreds of contractors. Mr Buthelezi therefore required certain documents before he could draft a complaint against the Star. A copy of the letter requesting the information is attached hereto as **Annexure E**. Most of the Department's staff was however on leave for December and January. As Mr Buthelezi no longer has authority in the DPTRW he only received some of the documents several months later after repeated requests. It was therefore only now that Mr Buthelezi was in a position to formulate his complaint against the Star.
52. Mr Buthelezi armed with the information also considered to deal with same through the Court which right only prescribes after 3 years from date of publication.
53. The Press Ombudsman has however in the past proved to be impartial, expeditious cost-effective and private.

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54. Mr Buthelezi therefore requests that the Press Ombudsman resolves the complaint in an amicable fashion as it has done previously.
55. If the Press Ombudsman gives condonation Mr Buthelezi undertakes that he will not take any other legal steps against the Star.
56. The Ombudsman and the Press Council are the custodians of the Press code.
57. The Star published serious critical reportage of *inter alia* an individual and Mr Buthelezi's allegation that some of the Star's statements were untruthful, inaccurate, unfair, not in context and distorted is serious. It would be in public interest if the Press Ombudsman as the custodian of the South African Press code accepts the complaint and investigates same.
58. GNS has asked Buthelezi to monitor the complaint and if the Press Ombudsman successfully resolves the complaint it will in all likelihood not institute legal action against the Star. If the Press Ombudsman condones Buthelezi's application for late delivery it may therefore also serve to stop future litigation against the Star by GNS, a large company that has multi millions of Rands in contracts.

Mr S. B. Buthelezi

Dated: 12/05/2011

4

The Star 8/11/2010

According to joburg emer- contained in one room," said burns. Nine people were taken she had just been at the Inn to do."

DA to sue after Gauteng ignores R50m overspend

ANEL LEWIS

THE GAUTENG Department of Roads and Transport will not take legal action against Sibusiso Buthelezi for overspending on a security contract by more than R50 million.

This is despite a call from Public Protector Thuli Madonsela for an investigation by the Gauteng government and the National Treasury into the R71m contract awarded to a company with links to former communications minister

Siphive Nyanda

In a written reply to questions by the DA, former MEC of roads and transport Bheki Nkosi said: "The department will not institute legal actions against Mr. Buthelezi in order to recover the money."

A settlement was reached when Buthelezi resigned. But the DA's Jack Bloom was today due to lay a charge of financial misconduct under the Public Finance Management Act against Buthelezi at the police's Commercial Crimes Unit.

The controversial contract,

awarded to GNS Risk Advisory Services in October 2007 without an open tender process, was terminated in March this year.

Bloom estimated the department overpaid more than R50m on the contract before it was stopped.

It was a "giant rip-off" as the companies that replaced GNS, now known as Abalozi, were doing the same work for about R24m less a year. In his reply, submitted

shortly before he was moved to

the Department of Infrastructure and Development, Nkosi revealed that Abalozi was paid exorbitant monthly fees for work that could have been done at a fraction of the cost.

GNS was paid R848 160 a month for guarding the government's fleet in Bedfordview, Potlako Security and Cleaning Services, which took over the contract, gets a quarter of this, with a monthly contract of R194 643. GNS took R260 400 for

guarding work in Koedoespoort. A new company, Pholile Business Solutions, is paid R35 394 a month.

A monthly budget of R12m was allocated for the Department of Public Transport, Roads and Works. No work was ever done. The entire project will now cost R500 000.

GNS claimed R410 000 a month to guard the command centre. Freedom Fighters Security Services will get R49 773 a month for the same service.

16 B



**DEPARTMENT OF PUBLIC TRANSPORT ROADS AND
WORKS (G-FLEET)**

CHARTER

For

**PROVISION OF AN INTERGRATED SECURITY AND RISK
MANAGEMENT SYSTEM INCLUDING STRATEGIC SUPPORT**

APPROVALS

Approval of the Project Charter indicates an understanding of the purpose and content described in this document. By signing this document, each individual agrees work should be initiated on this project and necessary resources should be committed as described herein.


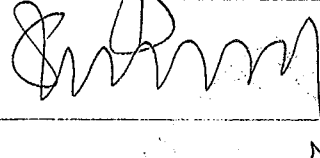
Approver Name	Title	Signature	Date
Sam Jafta	CEO: G-Fleet		27/11/07
Relibile Mofokeng	Project Manager: GNS		27/11/07

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SECTION 1: PROJECT OVERVIEW

1.1 PROJECT BACKGROUND

The G-Fleet Management, hereafter formerly referred to as GMT, was established by the Gauteng Provincial Department of Public Transport, Roads and Works (GDPTRW) as a public entity. It is currently managed through the DPTRW, and it is wholly funded by the department. The mandate of the G-Fleet is to provide excellent transportation services to government officials. This should be achieved by managing the purchasing, hiring out, utilization and maintenance of vehicles.

The goal of the G-Fleet is to provide support services by meeting the transport needs of government officials primarily in Gauteng province, national departments operating in Gauteng and any other government departments. This vision will be realised when the challenges of Risk Management and Security Management are addressed.

However, various stakeholders within the Provincial Government have continually lobbied the G-Fleet to take decisive action to address a number of challenges that persist within the Entity. These challenges include high levels of theft of G-Fleet assets, motor vehicles, abuse of state vehicles and other fraudulent activities within the entity. The prevalence of these challenges has generated high levels of frustration within the Entity and to its clients.

These stakeholders have been particularly vocal in lobbying for government intervention in addressing the challenges that are prevalent within the G-Fleet. To address these challenges, the G-Fleet has resolved to undertake a comprehensive and ongoing research into trends and root causes of corrupt and fraudulent activities within G-Fleet. To this end, G-Fleet seeks to generate research data that will aid decision making on required interventions to achieve permanent stability within the G-Fleet.

1.2 PURPOSE

The purpose of the risk management services project is to embark on research to gather high level information on fraudulent and unethical activities within the G-Fleet and table recommendations to the client. Furthermore, the aim is to identify in advance areas of potential conflict and volatile situations that may destabilize the day to day running of the G-Fleet. This charter will lay the groundwork for informed decisions and planning regarding projection direction, outcomes and delivery.

1.2.1 Benefits

- Improved client partnerships;
- Improved project management processes;
- Improved headquarter/regional communications;
- Better project sponsorship;
- Recognition of Senior Management's role;
- Improved relationships with clients;
- Improved on-time and on-budget delivery of projects;
- Decrease in corrupt activities; and
- Increase in security management activities.

1.3 PROJECT OBJECTIVES

The project is aimed at achieving the following goals:

- To conduct a risk audit on the security of the G-Fleet;
- To develop a risk audit strategy and policy;
- To conduct a risk audit on the security of the G-Fleet (and assets);
- Develop an implementation plan on the Risk Audit;
- Provide the Entity the material specified in the project scope;
- Comply with the timeframe for the performance of the instruction as specified in the scope;
- Provide recovery and investigative services to G-Fleet;
- Provide ongoing research to the G-Fleet on asset activity;

- Monitoring and surveillance of G-Fleet assets;
- Information security procedures manual;
- Compliance monitoring tools;
- Information management and awareness; and
- Phase II – Integrated security system.

1.4 PROJECT SCOPE

The scope of the service provider entails:

1.4.1 Project Includes
• Risk assessment and analysis
• Risk management, Advisory Services and Training
• Risk audit which includes the following:
o Combating suspected fraud within the G-Fleet
o Theft of vehicles and vehicle spares
o Combating leaks of information
o Security crisis management
o Overall security management (CCTV and access control)
o Database development (stolen vehicles, syndicates, scrap yards)
o Vehicle recovery services
o Compliance monitoring tools
o Information security procedures manual
o Information management training and awareness
o Integrated security system (Phase I and II)

1.4.2 Project Ad hocks
• The project will be limited to the above inclusions subject to any additional request by the client

1.5 CRITICAL SUCCESS FACTORS

The issues raised under this context are deemed critical to the success of the project, such that, in their absence the project will fail.

- Quick and early prioritized success.
- Leverage prior work on issued internal reports and other efforts.
- Successful on-going communications.
- Successful peer feedback.
- Successful evaluation and feedback.
- Firm foundation for continuous improvement.
- A complete database containing the following:
 - Stolen vehicles;
 - Syndicates operating within and outside G-Fleet; and
 - Scrap yards.
- Monitoring and giving advice to the G-Fleet.

1.6 ASSUMPTIONS

- The goals of this project support the vision, mission, and goals of the G-Fleet's turnaround strategy.
- The project helps the Entity to achieve its goal of outstanding service delivery.
- The Entity's management actively supports improvements in the following areas of procurement processes: framework, tools, and document management skills.
- The timeline is reasonable and doable. The phased rollout supports early success and continued improvement. The project includes a lengthy implementation as components are developed and implemented, followed by sustained competency and improvements in the respective areas.
- The Entity's management assigns key project roles and adequate budget for the development and implementation of this project.
- Effective, adequate, and appropriate levels of communication occur between the G-Fleet's management, the sponsor, and the project team during all phases of the project.

- The framework deliverable avoids excessive detail to ensure common understanding, flexibility, and adoption.
- The deliverables of the project are implemented within the Entity.

1.7 CONSTRAINTS

The project constraints listed hereunder are based on the current knowledge today.

- Lack of co-operation by G-Fleet officials.
- Unavailability of building plans and other relevant policies.

SECTION 2: PROJECT AUTHORITY AND MILESTONES

2.1 PROJECT AUTHORITY

The G-Fleet has an authority to oversee, manage, and direct the project anytime it deems necessary. The service provider has the authority to commit the appropriate resources within the project. The service provider is limited to the information relevant for the performance of the audit in accordance to the scope.

2.2 PROJECT APPROACH

Phase	Deliverable	Description
1	Vulnerability Audit	
	Consultation	<ul style="list-style-type: none"> • Project brief and understanding the scope of work • Obtain knowledge of the G-Fleet business and processes
	Define the As-Is process	<ul style="list-style-type: none"> • Develop systems description to build knowledge and understanding of the existing Risks
	Methodology	<ul style="list-style-type: none"> • Obtain an overview of all the risks and threats

		<ul style="list-style-type: none"> • Field Research • Determination of future trends and tendencies and recommendations linked to these • Develop systems for effective data collection, research and analysis of historical data and current trends and dynamics • Undertake a detailed or micro assessment of each potential threat based on the risk improvement priority during the macro assessment • Generate, verify and validate research data on new trends, developments and challenges at the G-Fleet • Give advice on required interventions to achieve short, medium and long term solutions
	Resources	<ul style="list-style-type: none"> • Human capacity • Technology
	Request for information	<ul style="list-style-type: none"> • Policies and procedures • Internal reports generated by the G-Fleet • External reports • Building plans for the current development
2	Execution	
	Researchers	<p>Researchers will be allocated different areas to conduct the following:</p> <ul style="list-style-type: none"> • To conduct a risk audit on the security of the G-Fleet • To develop a risk audit strategy and

		<p>policy</p> <ul style="list-style-type: none"> • To conduct a security audit • To ascertain perceived roles of other influential or interested players such as police, manufacturers, government and crime syndicates • To ensure that the G-Fleet creates an enabling environment for service delivery
	Data Collectors	<ul style="list-style-type: none"> • Data collectors will gather information directly from the sources • Compile a list of sources and maintain the list • Collate information from the source and report to the researchers
	Action Variations	<ul style="list-style-type: none"> • Develop an action plan in consultation with the G-Fleet
	Consolidation Action	<ul style="list-style-type: none"> • Consolidating all information captured and results into a specified reporting format
	Improvements Consolidation	<ul style="list-style-type: none"> • Consolidating all information captured and results into a specified reporting format
	Consultation Improvements	<ul style="list-style-type: none"> • Meetings with client to resolve any outstanding issues • Attending to any arising client requests • Reviewing progress
	Consultation	<ul style="list-style-type: none"> • Meetings with client to resolve any outstanding issues • Attending to any arising client requests • Reviewing progress
	Reporting	
	Report Writing	<ul style="list-style-type: none"> • Prepare a progress report

3	Consultation Action Plan	<ul style="list-style-type: none"> • Discuss final report • Develop an action plan of matters requiring corrective action
	Consultation	<ul style="list-style-type: none"> • Discuss final report
	Closure	
4	Post Implementation Review Handover	
	Post implementation Review	<ul style="list-style-type: none"> • If necessary, dependent on client request

Phase	Deliverable	Description
On-going	Monitoring	
	Consultation	<ul style="list-style-type: none"> • Project brief and understanding the scope of work • Obtain knowledge of the G-Fleet business and processes
	Define the As-Is process	<ul style="list-style-type: none"> • Develop systems description to build knowledge and understanding of the existing Risks
	Methodology	<ul style="list-style-type: none"> • Obtain an overview of all the risks and threats • Formulate security objectives and procedures • Evaluate the applicable security standards and the recommendations of the risk assessment • Plan security strategy in consultation with G-Fleet • Monitor high risk areas • Provide ongoing research to G-Fleet on asset activity • Monitoring and surveillance of G-Fleet assets

		<ul style="list-style-type: none"> Identifying internal fraud
	Resources	<ul style="list-style-type: none"> Human capacity Technology
	Request for information	<ul style="list-style-type: none"> Policies and procedures Internal reports generated by the G-Fleet External reports
2		
Execution		
	Monitors	<p>Monitors will be permanently based at the command centre to monitor and provide surveillance.</p> <ul style="list-style-type: none"> Ensuring that the command centre is operational 24hours seven days a week to combat fraud within the G-Fleet Recording of all incidents in the occurrence book Monitor all activities within the G-Fleet Report any suspicious activities to the Supervisor Provide daily activity reports Provide research information on any suspicious individuals and activities Ensure that the G-Fleet creates an enabling environment for service delivery
	Action Variations	<ul style="list-style-type: none"> Provide daily activity reports
	Consolidation Action	<ul style="list-style-type: none"> Consolidating all information captured and results into a specified reporting format
	Improvements	<ul style="list-style-type: none"> Consolidating all information captured

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	Consolidation	and results into a specified reporting format
	Consultation Improvements	<ul style="list-style-type: none"> • Meetings with client to resolve any outstanding issues • Attending to any arising client requests • Reviewing progress
	Consultation	<ul style="list-style-type: none"> • Meetings with client to resolve any outstanding issues • Attending to any arising client requests • Reviewing progress
	Reporting	
	Report writing	<ul style="list-style-type: none"> • Prepare monthly progress reports

Phase	Deliverable	Description
On-going	Reaction and Investigative Unit	
	Consultation	<ul style="list-style-type: none"> • Project brief and understanding the scope of work • Obtain knowledge of the G-Fleet business and processes
	Define the As-Is process	<ul style="list-style-type: none"> • Develop systems description to build knowledge and understanding.
	Methodology	<ul style="list-style-type: none"> • Formulate security objectives and procedures • Provide risk management services on behalf of G-Fleet including vehicle registration • Ensure that all activities that the recovery unit engages in comply with relevant legislation as there will be arrests as well as prosecutions • Conduct various covert and overt investigations on car theft and asset



		<p>loss incidents</p> <ul style="list-style-type: none"> • Provide G-Fleet with ongoing counter measures in dealing with vehicle theft • Infiltrating existing syndicates (dealing with vehicle theft) as a means of gaining an understanding of the tactics used by vehicle thieves • Identifying existing and/or potential hot spots that are targeted or utilized by vehicle thieves • Investigate the theft of vehicles and spare parts • The use of the command centre as a means of disbursing information to both units when a Government vehicle is reported stolen
	Resources	<ul style="list-style-type: none"> • Human capacity • Technology • Reaction vehicles
	Request for information	<ul style="list-style-type: none"> • Policies and procedures • Data on all stolen vehicles from G-Fleet • External reports
2	Execution	
	Investigators/Reaction Unit	<p>Investigators will be permanently based at the command centre to conduct various covert and overt investigations.</p> <ul style="list-style-type: none"> • Investigate all previous incidents of stolen or abused vehicles at the G-Fleet • Recording of all incidents in the occurrence book • Monitor all activities within the G-Fleet

		<ul style="list-style-type: none"> • Report any suspicious activities to the Supervisor • Develop a database of stolen vehicles, vehicle syndicates and scrap yards • Provide research information on any suspicious individuals and activities • Ensure that the G-Fleet creates an enabling environment for service delivery • Facilitate the recovery of stolen government vehicles
	Action Variations	<ul style="list-style-type: none"> • Provide activity reports
	Consolidation Action	<ul style="list-style-type: none"> • Consolidating all information captured and results into a specified reporting format
	Improvements Consolidation	<ul style="list-style-type: none"> • Consolidating all information captured and results into a specified reporting format
	Consultation Improvements	<ul style="list-style-type: none"> • Meetings with client to resolve any outstanding issues • Attending to any arising client requests • Reviewing progress
	Consultation	<ul style="list-style-type: none"> • Meetings with client to resolve any outstanding issues • Attending to any arising client requests • Reviewing progress
	Reporting	
	Report writing	<ul style="list-style-type: none"> • Prepare monthly progress reports

PHASE II

Milestones	Deliverables
<p>1. Business Continuity Planning</p> <ul style="list-style-type: none"> • PHASE 1 <ul style="list-style-type: none"> ○ Criticality Assessment ○ Business Impact Assessment • PHASE 2 <ul style="list-style-type: none"> ○ BCP/DRP Policy • PHASE 3 <ul style="list-style-type: none"> ○ Disaster Recovery Strategy • PHASE 4 <ul style="list-style-type: none"> ○ Disaster Recovery Plan for estimated 5 Information Systems ○ Walkthrough Test (6 hours per Information System) 	<ul style="list-style-type: none"> • BCP Strategy • Disaster recovery plans • Walkthrough tests
<p>2. Information Security Manual, Standards, Procedures and Policies</p> <ul style="list-style-type: none"> • Personnel • Information Handling • Contractor 	<ul style="list-style-type: none"> • Information Security Procedures Manual
<p>3. Compliance Monitoring Tools</p> <ul style="list-style-type: none"> • Quarterly Assessments • Corrective action log • Findings log 	<ul style="list-style-type: none"> • As-Is Assessment Report • Document Management System, IT security • Compliance monitoring tools

<p>4. Information management Training and Awareness</p> <ul style="list-style-type: none"> • Personnel • Service Providers 	<ul style="list-style-type: none"> • Training for all G-Fleet personnel and contractors
<p>5. Phase II - Integrated Security System</p> <ul style="list-style-type: none"> • Main Gate Access Control • Access Control Integration • Perimeter Securing 	<ul style="list-style-type: none"> • Radio frequency identification • Biometric finger recognition • Digital video recorder • High voltage electric fence • Seismic detectors • Outdoor microwave detection

PROJECT COST ESTIMATION: PHASE I & PHASE II

The following budget is based on cost estimated using current resources available; the costs include disbursements and any other project related costs.

VULNERABILITY AUDIT, ADVISORY, TRAINING & IMPLEMENTATION

Resource	Rates Per Hour	HOURS	Duration	Total
Project Director	400	160	4years	64,000.00
Project Manager	350	160	4years	56,000.00
Expert x3	300	960	4years	288,000.00
Associate	250	240	4years	60,000.00
Data Analysts x 2	200	480	4years	96,000.00

SUB TOTAL

564,000.00

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INVESTIGATION UNIT

Resource	Rates Per Hour	Hours/ Month	Duration	Total /Month
Project Manager	300	480	4years	48,000
Investigators x 4	200	1920	4years	128,000
SUB TOTAL/ MONTH				176,000

MONITORING

Resource	Rates Per Hour	Hours/ Month	Duration	Total /Month
Project Manager	300	960	4years	48,000
Monitors x 7	100	14400	4years	240,000
SUB TOTAL/ MONTH				216,000

REACTION UNIT

Resource	Rates Per Hour	Hours/ Month	Duration	Total /Month
Project Manager	300	960	4years	48,000.00
6 x Reaction Agents	100	14400	4years	264,000.00
SUB TOTAL/ MONTH				264,000.00

150000

2.3 PHASE I – PROPOSED INTEGRATED SECURITY SOLUTION

The security solution recommended by GNS Risk Advisory Services (GNS) is designed in such a manner as to provide an integrated security solution that can be expanded as required. Furthermore the solution that is recommended takes into account the probable requirements of the next phases of the solution.

2.3.1 New Car Warehouse and Buildings

The interior of the warehouse will be completely visible on eight pan, tilt and zoom cameras. The videos from these cameras will be transmitted to the control room via fibre optic cable. A digital video recorder with a monitor will be dedicated to this CCTV system so that a controller can monitor the cameras.

The exterior of the building will be surrounded by outdoor passive infrared detection devices (PIR). These devices will operate, specifically at night when no movement is expected in and around the building. Any attempted intrusion will activate the alarm system (siren), which will be transmitted to the control room and to an armed response company.

The interior of the building will also have PIR's fitted so that any intrusion automatically activates an alarm alerting the security controller (viewing the monitor) of an intrusion. He/she will then be able to assess activities via the CCTV system. The alarm system will provide a signal to the control room when it is activated and deactivated. In this way the security controllers will know that the alarm has been set.

2.3.2 Service Garage

It is recommended that 6 pan tilt and zoom video cameras be deployed in the service garage. This will provide complete coverage of activities carried out. An alarm system consisting of internal and external passive infrared detection devices will be deployed. These devices will ensure that any intrusion or attempted intrusion will activate the alarm system.

It is absolutely essential that a review of the procedures relating to vehicles entering and exiting the service garage be undertaken. Currently there is virtually no control over vehicles entering and exiting this area. It is recommended that a RFID system be introduced. This will enable each vehicle to be identified as it enters and leaves the garage (via a reader at the doorway).

In the event of a vehicle attempting to leave the premises it will be necessary for the RFID chip to be handed in at the exit gate. Failure to do so will immediately send an alert alarm so that the vehicle cannot leave without authorization. This system will need to be investigated fully so that the system installed is able to communicate with the entry and exit control that will form part of a later phase of the security system.

2.3.3 Administration Building

It is necessary to introduce a strict control over access and exit from the administration building. In order to achieve this it is recommended that a turnstile be installed at the entrance to the building. Access will be provided via a biometric fingerprint system and a pin code. This can also act as a time and attendance record.

It is recommended that each and every laptop be fitted with a RFID tag. A reader will be located at the end of the passageway leading to the turnstile (at the main door). Any person leaving the building with a laptop will automatically be stopped and will have to complete documentation. The identification of the laptop (as shown on the RFID reader) will be verified against the ID document of the person carrying the laptop. A video record will also be recorded. All other entry points to the building are to be locked.

There will be a CCTV system installed in the building that will provide video of all access and exit as well as providing certain coverage of activities in the corridors and of the doors leading into offices. An alarm system will be fitted in the building which will provide for PIR's to detect intrusion. It is further suggested that senior management's office doors be fitted with biometric controls so that no unauthorised entry can take place.

2.3.4 Auction Vehicle Storage Area

Eight pan, tilt and zoom cameras will be located in the auction car park. These cameras will provide a complete view of all activities in this area.

2.3.5 General

The RFID system referred to above will form part of phase 2 of the security solution. As a result no costing is provided herein.

2.3.6 Equipment to be used

The equipment that is recommended is shown hereunder.

2.3.6.1 Digital Video Recorder (DVR)

The DVR that is recommended is based on the highest quality recording of real time activity. Real time is considered to be a minimum of 25 frames per second (fps). In order for each of the cameras to be able to simultaneously record at 25 fps it is necessary to have a 400 fps DVR. It is unlikely that all the cameras will be recording at the same time which will result in higher frame rates being recorded. **Note:** *The number of frames per second that is recorded is based on the total of the DVR divided by the number of actual cameras recording at one time.* The DVR must be stored in a secure environment. Each area detailed above will have its own DVR and monitor. This will ensure that the system is not reliant on other systems to work and any failure of a system does not invalidate the others.

2.3.6.2 Cameras

The fixed cameras that will be used on the inside of the building will be high resolution with an optimum view of approximately 15 meters. The exterior and corridor cameras will provide a longer range of approximately 40 meters. All the cameras will have infra red capability in order to be able to provide recordings in darker light. The outdoor cameras will be vandal proof and will be located in such a manner as to view each other. The indoor cameras will be located in secure areas to avoid tampering. The pan tilt and zoom

cameras will be controlled from the security control room. They are able to provide views of over 200 meters if necessary and can zoom into very specific areas and targets.

2.3.6.3 Cabling and Conduit

It is a requirement that all cabling be fibre optic. This provides protection against lightning and provides greater reliability. Conduit will be utilised where necessary.

2.3.7 Costs of the Security Solution

The costs are reflected hereunder. These costs are an approximation as are the number of devices that are shown.

2.3.7.1 CCTV System

Qty	Description	Unit Price	TOTAL
3	16 Channel Digital Video Recorders 400 frames per second (record and playback)		R 177 187. 50
4	17" Monitors for controllers	R3 740.63	R 14 962. 50
22	Pan Tilt Zoom Cameras High resolution True Day/Night Colour/BW Camera		R 808 500. 00
8	1/3 Sony Ex-View HAD, 500 TVL, 0.001 Lux, Video Iris/ESC/DC Iris. DC/VIDEO 12VDC Dual Voltage	R2 887.50	R 23 100.00
22	Labour for camera	R5 250.00	R 115 500.00
22	Fibre Optic cables, splices, conduit, labour etc		R 577 500.00
22	Sundries (surge protection, boxes etc)	R5 250.00	R 115 500.00
		Sub Total	R1 832 250.00
		VAT	R 256 525.00
		Total	R2 088 765.00

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2.3.7.2 Access and Alarm System

Qty	Description	Unit Price	TOTAL
1	Mantrap turnstile		R 27 025.00
6	Alarm control panels with 4 key pads each		R 101 343.75
60	Passive infrared detection devices	R2 432.25	R 145 935.00
24	Outdoor infrared detection devices	R5 405.00	R 129 720.00
60	Sundries (cables, conduit, consumables)	R1 351.25	R 81 075.00
84	Labour	R1 351.25	R 113 505.00
1	Software for turnstile		R 33 781.25
		Sub Total	R 632 385.00
		VAT	R 88 533.90
		Total	R 720 918.90
TOTAL CHARGES			
	CCTV	R 1 832 250	
	Access and Alarm System	R 632 385	
	Sub-Total	R 2 464 635	
	VAT	R 345 049	
	Grand TOTAL	R 2 809 684	

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2.4 PHASE II – PROPOSED INTEGRATED SECURITY SOLUTION

2.4.1 Main Gate Access Control Inventory

	Entry Lanes	Exit Lanes	Pedestria ns	Total
Access control biometric readers	2	2	4	8
Gooseneck stands	2	2	0	4
Grippa spike vehicle barriers	2	2	0	4
Turnstiles	1	1	0	2
Static mug shot cameras	2	2	4	8
Static general view cameras	2	2	0	4
Guard room camera	0	0	1	1
High speed dome camera	1	1	0	2
Wireless LAN point	1	1	0	2
16 Channel DVR TCP / IP	1	0	0	1
Access Controller TCP / ICP	1	1	2	4
Intercoms	2	2	4	8
RFID vehicle Readers	2	2	0	4
LPR camera unit options	2	2	0	4
VOIP Phone	1	0	0	1
Total	21	20	15	56

2.4.2 Perimeter Security Inventory

2.4.2.1 Zoned Electric Fence

- Strand piggy back electric fence with anti-parting devices.
- 1.2m X 12 Strand wall top electric fence with anti-parting devices linked to 3 control panels with alarm outputs integrated to the CCTV CAMS system.
- Cabling.
- Sundries.
- Installation.

TOTAL CHARGES	
Main Gate Access Control	R2 650 666.54
VAT @14%	R 371 093.31
TOTAL	R3 021 759.85
Zoned Electric Fence:	R 750 110.90
VAT @ 14%	R 105 015.53
TOTAL	R 855 126.43

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The following are high level project milestones and deliverables with target dates for delivery.

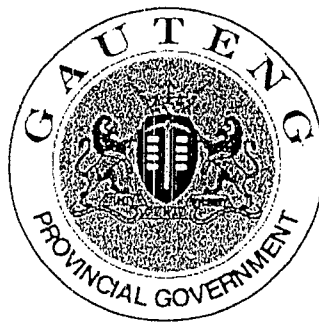
Milestone/Deliverable	Target Date
Vulnerability Audit, Advisory, Training and Implementation	Continuous
Monitoring	Monthly reports
Reaction and Investigations	Monthly reports
Information Security Manual	One month
Compliance Monitoring Tool	One month
Information Management Training	Continuous
Security System-Phase I	2 months-
Security System-Phase II	2 months-

SECTION 3: POINTS OF CONTACT

The following are the established points of contacts relevant to the project.

Role	Name/Title/Organization	Phone	Email
Consultant	GNS	(011) 880 9720	relibile@mics.co.za

CI-42



Instruction doc

DEPARTMENT OF PUBLIC TRANSPORT
ROADS AND WORKS

COMPLIANCE & MONITORING

PROJECT CHARTER & IMPLEMENTATION PLAN

GNS

UB

CLIENT SERVICE

Since its inception GNS has been a renowned risk services specialist with a long standing unparalleled reputation for thoroughness and discretion for delivering professional services under the most demanding of conditions to a Client base representative of leading corporations and government.

GNS knows and understands the associated risks and exposures that Clients are faced with. As a result, GNS provide Client's with pragmatic advice and strategies to reduce the probability of loss and protect a Client's assets against unpredictable events that could potentially impact performance and/or profitability, as well as evaluation of risks, realising opportunities and resolving any foreseen challenges.

Our project teams specialise in risk management, investigative assignments, gathering information, due diligence and providing advice. The experience and expertise of our project teams as well as our ability to create innovative risk management solutions provide Clients with cutting edge knowledge and advice on risk management. At GNS we pride ourselves in providing project teams led by subject matter experts that are hands-on and take pleasure in working closely with Clients. This is the core competency of GNS and where we add real value to a Client in the design of their risk management programs.

CAPABILITY

On timeous basis GNS business solutions continues to assist a number of corporations, individuals and government institutions dealing with the complexities of the modern world.

DISCRETION

Our work is frequently sensitive and we appreciate the need for discretion. Our Clients' confidence in us is our greatest asset and we maintain our position as market leaders because our business ethics and procedures ensure the highest standards of professionalism and propriety. Before accepting any assignment, we cross reference potential Clients with our internal records and we accept no assignments where there may be a conflict of interest. All our activities are performed in strict compliance with South African legislation.

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ADDED VALUE

Our extensive experience and expertise in assisting Client's with a wide variety of issues entails that on each assignment, GNS adds value in the following ways:

- By designing the most effective methods of achieving Client's goals.
- By gathering information not otherwise available to our Clients.
- By protecting the anonymity of our Client's interests.
- By effectively gathering publicly available information.
- By improving our Client's abilities to:
 - Identify relevant issues;
 - Develop creative solutions; and
 - Evaluate risks and exposures.

A WORLD OF EXPERINCE

GNS has a variety of specialists with experience in corporate and criminal law, finance, due diligence, forensic audits, intelligence, law enforcement, management consulting, military, regulation, research and security. The GNS team comprises of individuals with vast experience and are renowned subject matter experts in their areas of specialization.

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PREFACE

This document provides a comprehensive overview of the important characteristics of the Project as commonly understood.

Its purpose is to:

- Confirm the understanding of the Project deliverables by the delivery organisation.
- Provide sufficient information about the solution and approach that the sponsor and delivery organisation can agree to proceed with the Project.
- Provide a framework upon which more detailed plans can be built.
- Document the delivery organisation's plans for completing the Project Defining, Planning and Implementation activities.

The structure of the Project definition includes the following components:

- Project Goals and Objectives;
- Project Background;
- Target Solution and Approach;
- Project scope; and
- Project Organisation and Governance.

1 Project background

1.1 Business Environment

The Department of Public Transport Roads and Works (DPTRW) depends on its personnel, information and assets to deliver services that ensure the health, safety, security and economic well-being of South Africa citizens. It must therefore manage these resources with due diligence and take appropriate measures to protect them.

1.2 Business Focus

The national government's Batho Pele Principles together with the priorities of the Department's are used with the vision to determine the Department's level of service excellence. As a result, DPTRW identified the need to change its strategic intent, business operations and processes, policies and procedures and transform itself into a service-oriented organisation to ensure optimal performance and improved customer satisfaction levels.

1.3 Business Need

It is evident that DPTRW as an organisation has experienced significant disruption and security lapses over time.

The need of a security policy to prescribe the application of security measures to reduce the risk of harm that can be caused to the institution should threats materialize. It has been designed to protect employees, preserve the confidentiality, integrity, availability and value of information and assets, and assure the continued delivery of services. This project charter will lay the groundwork for informed decisions and planning regarding projection direction, outcomes and delivery.

1.4 Developments to Date

In November 2007, the GNS Project team initiated the first phase of the Project, which involved situational analysis, planning for change as well as stakeholder consultation.

Still in November 2007 the Project team drafted the Project Charter with a detailed implementation plan focusing on the following:

- Conducting a Threat Risk Assessment (TRA) at the DPTRW and all its entities;

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- Repositioning of the security departments (DPTRW and utilities);
- Facilitating the Classification of projects and information at the DPTRW and all its entities in conjunction with NIA;
- Ensure compliance with the National Key Point Act of 1980;
- Ensure compliance with MISS;
- Ensure Information security; and
- Periodic audits and incident management.

1.5 Goal

The project is aimed at achieving the following goals:

- To conduct a Threat Risk Assessment (TRA) at the DPTRW;
- Repositioning of the security department;
- Facilitate the classification of projects and information at the DPTRW;
- Ensure compliance with the National Key Points Act of 1980;
- Ensure information security; and
- Periodic audits and incident management.

1.6 Objectives

The specific objectives of the Project from November 2007 to November 2008 are to:

1. Facilitate the vetting when required.
2. Classification of Projects and Information.
3. Repositioning of the Security Unit.
4. Risk Assessment of the Departments' Strategic Assets for compliance with National Key Points Act of 1980.
5. Clarify the current context and the desired state for the Department (i.e. Situational Analysis).
6. Update the Project Communication and Stakeholder Management Strategy and Plan.
7. Obtain support and buy-in from key stakeholders.
8. Define a DPTRW internal and external Communication Strategy and Plan.

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1.7 Benefits

This Project will establish an enabling environment for the DPTRW employees of Target Departments to take ownership of the change process in order to achieve the following long term outcomes:

- A Department with staff oriented towards service excellence;
- Improved customer service and satisfaction;
- Reduced service backlogs;
- Improved client partnerships;
- Improved project management processes;
- Improved headquarter/regional communications;
- Better project sponsorship;
- Recognition of Senior Management's role;
- Improved relationships with clients;
- Improved on-time and on-budget delivery of projects;
- Decrease in corrupt activities;
- Increase in security management activities; and
- A communication strategy aligned to stakeholder needs and expectations.

1.8 Key Success Criteria

The issues raised under this context are deemed critical to the success of the project, such that, in their absence the project will fail. The key success criteria of this Project include, but not limited to:

- Visible and active support from the Department's leadership;
- Buy-in and active participation from all identified stakeholders;
- Quick and early prioritized success;
- Leverage prior work on issued internal reports and other efforts;
- Successful on-going communications;
- Successful peer feedback;
- Successful evaluation and feedback;

- Firm foundation for continuous improvement;
- Management to avail themselves for workshops and meetings;
- Proper selection and full-time availability of change agents;
- Active participation of change agents; and
- Active participation of employees.

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2 Project Scope

2.1 Included in Scope

For the first phase of the Project the scope of work includes:

- Facilitate **vetting** when required.
- **Classification** of Projects and Information.
- **Repositioning** of the Security Unit.
- **Risk Assessment** of the Departments' Strategic Assets for compliance with National Key Points Act of 1980.

Throughout GNS will **project manage** the work effort in line with generally acceptable project management procedures.

The Project will focus on the DPTRW and its entities only.

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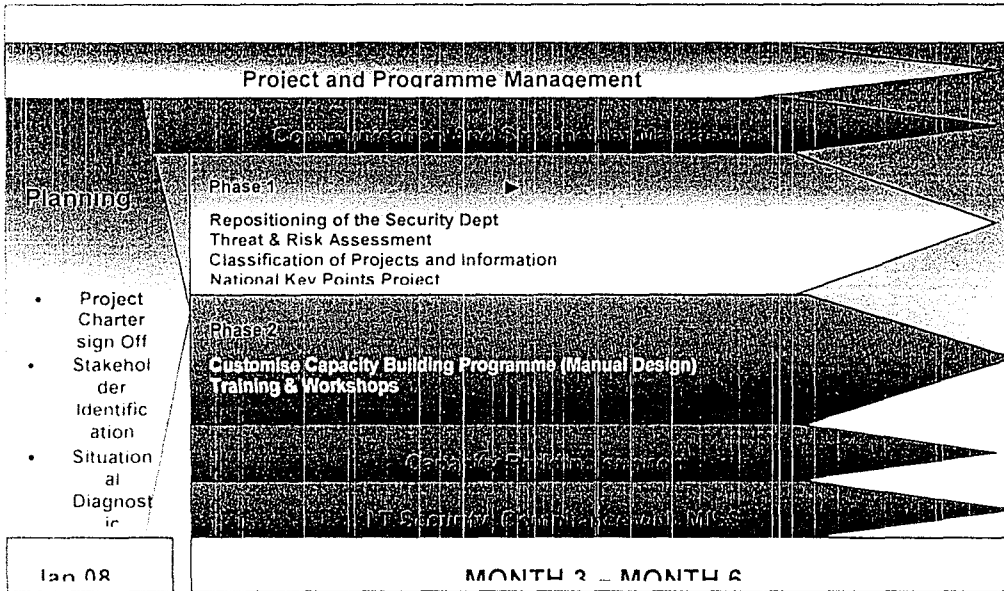
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3 Project Work Breakdown Structure

3.1 Overall Approach

The work plan and milestones are described in more detail in the remainder of this document.

The following diagrams provide an overview of the high-level Project approach and plan:



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4 Milestones

Major milestones and deliverables from November 2007 to June 2008 are as follows:

Milestones	Deliverables	Target	
Compile Project Charter	Draft Charter Final Project Plan	13 Nov 2007	
Threat Risk Assessment			
Consultations with stakeholders <ul style="list-style-type: none"> • Project Mandate Confirmed • Departmental Plans communicated • Obtain knowledge Department's business processes • Departmental Situational Analysis initiated • Situational Analysis Framework drafted • Develop systems descriptions and understanding of the existing risks 	List of +- 108 sites Checklist Site visits risk assessment AS IS Report	On Progress 15 Jan – 22 Jan 08	
Security Risk Assessment <ul style="list-style-type: none"> • Ensure that a security management structure is in place which encompasses responsibility for the overall management of the institution security program; • Ensure that security measures applied for the protection of sensitive information, assets and employees of the institution are adequate. • Ensure that there is an effective security risk awareness and training program in place. • Ensure that appropriate physical security measures are in place at all facilities to provide for the safety and security of employees. • Ensure that institution wide plans are developed to provide for the resumption 	Report	28 Jan – 30 Apr 08	

<p>of essential business operations during unplanned interruptions</p> <ul style="list-style-type: none"> The TRA will be conducted on all assets identified with specific reference to: <ul style="list-style-type: none"> Organisational security structure Administrative security procedures Business continuity planning Physical security Personnel security 			
Situational Analysis Completed & Report Back	Consolidated Feedback Report	28 June 2008	

	Cost P/hr	Daily hours	Days p/wk	Resource count	duration - months	Total Cost
Project Director	1200	4	5	1	4	384,000.00
Project Manager	950	8	5	1	4	608,000.00
Consultants	600	8	5	5	4	1,920,000.00

TOTAL

2,912,000.00

Repositioning of the Security Dept			
Project Initiation and Strategic Confirmation	Signed Project Charter	15 – 22 Jan 2008	
<ul style="list-style-type: none"> The main objective of the repositioning is to support the National interest and the DPTRW business objectives by protecting employees, information and assets Continued delivery of services of the DPTW must be assured through baseline security requirements, including business continuity, and continuous 	As is Report Implementation plan		

<p>security risk management;</p> <ul style="list-style-type: none"> • Ensure that the Security Dept has an effective structure to fulfil its functions. • Ensure that the Security Dept is capacitated to manage the responsibility of executing the entire security function and program within DPTRW. • Ensure that the Security Dept conducts compliance audits and inspections at the DPTRW at regular intervals • Review the security policy and security plan at regular intervals 	<p>Close out Report</p>		
--	-------------------------	--	--

	Cost P/hr	Daily hours	Days p/wk	Resources	duration - months	Total Cost
Project Director	900	4	5	1	3	216,000.00
Project Manager	700	8	5	1	3	336,000.00
Consultants	450	8	5	2	3	432,000.00

TOTAL

984,000.00

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Classification of Projects and Information			
Consultations with stakeholders.	Steering Committee	15 – 22 Jan 08	
<p>Research and Classification</p> <ul style="list-style-type: none"> • Due Diligence prior to classification of projects and information • Risk Audit and Assessment of DPTRW Projects <ul style="list-style-type: none"> ○ Obtain an overview of all the project risks and threats <p>Classification of projects and information</p> <ul style="list-style-type: none"> • Ensure that a comprehensive information classification system is developed for and implemented in the DPTRW • All sensitive information produced or processed by the DPTRW must be identified, categorised and classified according to the origin of its source and contents. All sensitive information must be categorised into one of the following categories: <ul style="list-style-type: none"> ○ State Secret ○ Trade Secret, and ○ Personal Information <p>Access to classified information will be determined by the following principles.</p> <ul style="list-style-type: none"> ○ Intrinsic secrecy approach ○ Need to know ○ Level of security clearance 	Report on Project Grading and classification	On going	

Project Manager	850	8	5	1	3	408,000.00
Consultants	550	8	5	3	3	792,000.00
TOTAL						1,464,000.00

Compliance & Control			
<p>Consultations with stakeholders:</p> <p>Project Auditing</p> <ul style="list-style-type: none"> Conduct periodic site inspections to ensure compliance by service providers Conduct investigations on reported security breaches and provide feedback with recommendations to the DPTRW Ensure that the HOD is advised of any security breach incidents as soon as possible <p>Audits and Inspections shall be reported to the HOD of the DPTRW forthwith after completion thereof</p> <p>Project Reporting</p>	<p>Incidents Report</p> <p>Status Reports</p>	<p>15 – 22 Jan 08</p>	

	Cost P/hr	Daily hours	Days P/wk	Resources	duration - months	Total Cost
Project Director	900	4	5	1	4	288,000.00
Project Manager	580	8	5	1	4	371,200.00
Consultants	380	8	5	4	4	972,800.00
TOTAL						1,632,000.00

MISS Training			
<p>Communication and Awareness workshops</p> <ul style="list-style-type: none"> Periodic security awareness presentations, briefings and workshops Regular surveys and walkthrough inspections 		<p>18 February 2008 - On going</p>	

<p>* Training on MISS for all DPTRW staff The program will cover training with regard to specific security responsibilities and sensitize employees and relevant contractors about the security policy and security measures of the DPTRW and the need to protect sensitive information against disclosure loss or destruction</p>	<p>Status Report Project Reporting</p>		
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	Cost P/hr	Daily hours	Days P/wk	Resources	duration - months	Total Cost
Project Director	1200	4	5	1	2	192,000.00
Project Manager	950	8	5	1	2	304,000.00
Consultants	600	8	5	5	2	960,000.00
TOTAL						1,456,000.00

National Key Points Act			
<p>Consultations with stakeholders.</p> <ul style="list-style-type: none"> Project Mandate Confirmed GPG and DPTRW's Plans communicated Obtain knowledge of GPG Precinct processes <p>Situational Analysis initiated</p>	Steering Committee	15 – 22 Jan 08	
National Key Points Act	Implementation report, Appreciation report and application	28 Feb – 30 Sep 2008 (Ongoing)	
Develop systems description to build knowledge and understanding of the existing GPG Precinct and G-Fleet risks		28 Feb – 04 April 2008	
<ul style="list-style-type: none"> Development of a Legal Framework 		04 Mar – 04 Apr 2008	
<ul style="list-style-type: none"> Drafting the security appreciation which includes strengths, weaknesses opportunities and threats 		07 Apr – 25 Apr 2008	
<ul style="list-style-type: none"> Implementation of security, business continuity and crisis management plans 		28 Apr – 20 May 2008 (Ongoing)	
<ul style="list-style-type: none"> Training of all personnel to the minimum standard as qualified National Key Point Security Officers 		26 May – 30 Jun 2008	
Security clearance of contractors who require access control procedures			
Project Reporting	Status Report		

	Cost P/hr	Daily hours	Days P/wk	Resources	duration - months	Total Cost
Project Director	950	4	5	1	4	304,000.00
Project Manager	650	8	5	1	4	416,000.00
Consultants	400	8	5	3	4	768,000.00

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TOTAL

1,488,000.00

5 Planning framework

5.1 Key assumptions

- The goal of this project is to support the vision, mission, and objectives of the DPTRW strategy.
- The project will help the DPTRW to achieve its goal of outstanding service delivery.
- The DPTRW's management actively supports improvements in the following areas of procurement processes: framework, tools, and document management skills.
- The timeline is reasonable and doable. The phased rollout supports early success and continued improvement. The project includes a lengthy implementation as components are developed and implemented, followed by sustained competency and improvements in the respective areas.
- The DPTRW's management assigns key project roles and adequate budget for the development and implementation of this project.
- Effective, adequate, and appropriate levels of communication occur between the DPTRW's management, the sponsor, and the project team during all phases of the project.
- The framework deliverable avoids excessive detail to ensure common understanding, flexibility, and adoption.
- The deliverables of the project are implemented within the DPTRW.

5.2 Key dependencies

- The team is aware of the other specific dependencies on this project and/or outputs.

5.3 Constraints

The project constraints listed hereunder are based on the current knowledge today and past experience.

- Lack of co-operation by DPTRW officials.
- Unavailability of delegates at workshops.
- Unavailability of documents.

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5.4 Project Risks

RISK	IMPACT	PROBABILITY	PROPOSED INTERVENTION/SOLUTION
Management may not be committed to the Project	L	M	Identify the root cause of non-commitment and implement interventions to address those. Continuous positive communication on the Project benefits that will encourage participation.
Employees may not buy into the process due to lack of communication regarding the project	H	H	Promote positive message of Vision and Service Excellence Orientation. Communicate that Project is aimed at improving people issues in the Department, which means improved working environment as well as improved customer relationships.
Poor response to the "AS IS" analysis by employees/sample task teams due to lack of communication and awareness	H	M	Communicate the message and it is intended to confirm the progress on the Projects undertaken since then, as well as to assist the Project team to identify specific departmental change issues so that they can be addressed in the departmental capacity building interventions.
Lack of buy-in	H	M	Communicate with stakeholders on the Project on an ongoing basis, identifying the benefits of the Project and the importance or necessity of the Project for the Department. Also remove misconceptions about the Project.

6 Project Organisation

6.1 Project Steering Committee

- Mr. Molefe Mollo- HOD's
- Ms. Kwena Manamela DD Security
- Mr. Relibile Mofokeng-GNS
- Ms. Mamakhe Mdhuli-GNS

7 Management System

The management system is the total system used to manage the Project. This includes risk management, issue management, change control, progress reviewing and tracking as well as time recording.

7.1 Risk Management

The process to manage risks contains the following activities:

- Identifying and recording, as early as possible, all potential risks to the Project. Risks may be identified at all levels (from the Project Director downwards), and the reports will need to be consolidated.
- Assessing the likelihood of each risk occurring and the cost to the Project (in terms of lost benefits or of corrective action) should the risk occur?
- Agreeing an action plan to minimise the likelihood or cost of each risk. Actions will include avoiding, containing, and monitoring the risk, as appropriate.
- Regularly reviewing and verifying all risks with the associated assessment and actions, and incorporating new risks.

7.2 Issue Management

An issue is a problem that cannot be resolved by an individual or within the Project team. The process to track and control issues to their resolution will include:

- Identifying and capturing each issue.
- Appointing an action manager to be responsible for getting issues resolved.
- Logging and reviewing all outstanding issues, and maintaining a status report.

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7.3 Change Control (Changes in Scope)

Changes to the Project definition at all levels will be managed with the following simple mechanism:

- The Project manager or sub-project leader will log any change request.
- The change will be assessed in terms of time, effort and benefit and a change definition produced.
- The change has to be approved at the next higher level, e.g. a change affecting a sub-project must be approved by the Project manager, a change affecting the Project overall has to be approved by next level, and so forth.
- If the change is approved, the relevant plans and documentation will be updated accordingly, e.g. if the change impacts Project delivery, timeframes or cost, the Charter and the Project plan will be updated.

7.4 Documentation

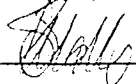
All documentation and records pertaining to the Project will be kept by the Project team leader and in the Project office.

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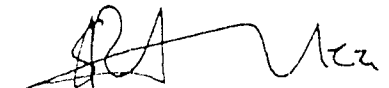
7.5 Project Management Meetings

Forum	Meeting Outputs	Frequency
Project Steering Committee (PRC)	Tactical guidance. Project progress, risks and issues. Review of interim/draft deliverables, documents. Meeting is formal and minutes will be recorded for referencing purposes and any follow up action.	Bi -Weekly Tuesdays

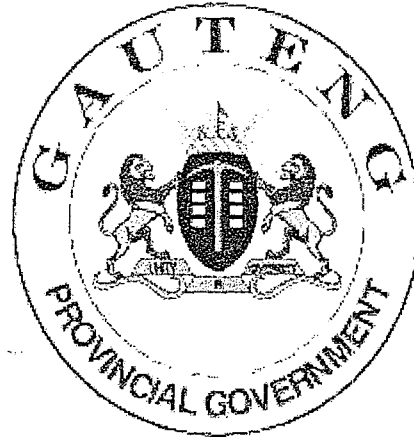
Recommended/ ~~Recommended with Amendments/ Not Recommended~~


 Molefi Mollo
 Manager: HoD's office
 Date: 30/01/2008

Approved/ ~~Approved with Amendments/ Not Approved~~


 Sibusiso Buthelezi
 Head of Department
 Date: 30/1/08

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DEPARTMENT OF PUBLIC TRANSPORT, ROADS AND WORKS

COMPREHENSIVE SECURITY STRATEGY

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1 STATEMENT OF PURPOSE

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1.1 The Department of Public Transport, Roads and Works (DPTRW) depends on its personnel, information and assets to deliver services that ensure the health, safety, security and economic well-being of South African citizens. It must therefore manage these resources with due diligence and take appropriate measures to protect them.

1.2 Threats that can cause harm to the DPTRW in South Africa and abroad include acts of terror, sabotage, espionage, unauthorised access to buildings and premises, theft, armed robbery, fraud, corruption, vandalism, fire, natural disasters, technical failures and accidental damage. The threat of cyber attack and malicious activity through internet is prevalent and can cause severe harm to electronic services and critical infrastructure.

Threats to the national interests, such as transnational criminal activity, foreign intelligence activities and terrorism, continue to evolve as a result of changes in the international environment.

1.3 The Security Policy of the DPTRW prescribes the application of security measures to reduce the risk of harm that can be caused to the institution if the above threats can occur to the DPTRW if the above threats should materialize. It has been designed to protect employees, preserve the confidentiality, integrity, availability and value of information and assets, and assure the continued delivery of services. Since the DPTRW relies extensively on information and communication technology (ICT) to provide its services, this policy emphasises the need for acceptable use of ICT equipment as well as ICT protection measures to be complied with by employees.

1.4 The main objective of this policy therefore is to support the provisional interest and the DPTRW business objectives by protecting employees, information and assets and assuring the continued delivery of services to South African citizens.

2 POLICY STATEMENT

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2.1 General

- Employees of the DPTRW must be protected against identified threats according to baseline security requirements and continuous security risk management;
- Information and assets of the DPTRW must be protected according to baseline security requirements and continuous security risk management; and
- Continued service delivery must be assured through baseline security requirements, including business continuity planning, and continuous security risk management.

2.2 Compliance requirements

- These requirements are/shall be based on integrated security Threat and Risk Assessments (TRA) to the national interest as well as employees, information and assets of the DPTRW. The necessity of security measures above baseline levels will also be determined by the continual updating of the security TRAs.

2.3 Security threat and risk assessment involve:

- Establishing the scope of the assessment and identifying the information, employees and assets to be protected;
- Determining the threats to information, employees and assets of the DPTRW and assessing the probability and impact of threat occurrence;
- Assessing the risk based on the adequacy of existing security measures and vulnerabilities; and
- Implementing any supplementary security measures that will reduce the risk to an acceptable level.

2.4 Staff accountability and acceptable usage of assets

- The HoD of the DPTRW shall ensure that information and assets of the DPTRW are used in accordance with procedures as stipulated in the Security Directives as contained in the Security Plan of the DPTRW.

- Security Information Management - 2010
- All employees of the DPTRW shall be accountable for the proper utilisation and protection of such information and assets. Employees that misuse or abuse assets of the DPTRW shall be held accountable therefore and disciplinary action shall be taken against any such employee.

2.5 Specific baseline requirements

2.5.1 Security Organisation

- 2.5.1.1 The HoD of the DPTRW will appoint/has appointed a Security Manager (SM) to establish and direct a security program that ensures coordination of all policy functions and implementation of policy requirements.
- 2.5.1.2 Given the importance of this role, the Security Manager with sufficient security experience and training who is strategically positioned within the DPTRW so as to provide the institution - wide strategic advice and guidance to senior management, has been/will be appointed.
- 2.5.1.3 The HoD of the DPTRW will ensure that the Security Manager has an effective support structure (security component) to fulfil the functions referred to in par 2.5.2 below.
- 2.5.1.4 Individuals that will be appointed in the support structure of the Security Manager will all be security professionals with sufficient security experience and training to effectively cope with their respective job functions.

2.5.2 Security Administration

- 2.5.2.1 The functions referred to include:
 - General security administration (departmental directives and procedures, training and awareness, security risk management, security audits, sharing of information and assets);
 - Setting of access limitations;
 - Administration of security screening;
 - Implementing physical security;
 - Ensuring the protection of employees;
 - Ensuring the protection of information;
 - Ensuring ICT security; ensuring security in emergency and increased threat situations;

- Facilitating business continuity planning;
- Ensuring security in contracting; and
- Facilitating security breach reporting and investigations.

2.5.3 Information Security

2.5.3.1 Categorisation of information and information classification system

2.5.3.1.1 The Security Manager must ensure that a comprehensive information classification system is developed for and implemented in the DPTRW. All sensitive information produced or processed by the DPTRW must be identified, categorised and classified according to the origin of its source and contents and according to its sensitivity to loss or disclosure.

2.5.3.1.2 All sensitive information must be categorised into one of the following categories:

- State Secret;
- Trade Secret; and
- Personal Information.

2.5.3.1.3 And subsequently classified according to its level of sensitivity by using one of the recognised levels of sensitivity and one of the recognised levels of classification:

- Confidential;
- Secret; and
- Top Secret.

2.5.3.1.4 Employees of the DPTRW who generate sensitive information are responsible for determining information classification levels and the classification thereof, subject to management review. This responsibility includes the labelling of classified documents.

2.5.3.1.5 The classification assigned to documents must be strictly adhered to and the prescribed security measures to protect such documents must be applied at all times.

2.5.3.1.6 Access to classified information will be determined by the following principles:

- Intrinsic secrecy approach;
- Need-to-know; and

- Level of security clearance.

2.5.4 Physical Security

- 2.5.4.1 Physical security involves the proper layout and design of facilities of the DPTRW and the use of physical security measures to delay and prevent unauthorised access to assets of the DPTRW. It includes measures to detect attempted or actual unauthorised access and the activation of an appropriate response. Physical security also includes the provision of measures to protect employees from bodily harm while at work.
- 2.5.4.2 Physical security measures must be developed, implemented and maintained in order to ensure that the entire DPTRW, its personnel, property and information are secured. These security measures shall be based on the findings of the threat and risk assessment (TRA) to be conducted by the Security Manager.
- 2.5.4.3 The DPTRW shall ensure that physical security is fully integrated early in the process of planning, selecting, designing and modifying of its facilities. The DPTRW shall:
- Select, design and modify facilities in order to facilitate the effective control of access thereto;
 - Demarcate restricted access areas and have the necessary entry barriers, security systems and equipment to effectively control access thereto;
 - Include the necessary security specifications in planning, request for proposals and tender documentation; and
 - Incorporate related costs in funding requirements for the implementation of the above.
- 2.5.4.4 The DPTRW will also ensure the implementation of appropriate physical security measures for the secure storage, transmittal and disposal of classified and protected information in all forms.
- 2.5.4.5 All employees and visitors are required to comply with access control procedures of the DPTRW at all times. This includes the producing of corporate ID Cards upon entering any sites of the DPTRW, the display thereof whilst on the premises and the escorting of official visitors.

2.5.5 Personnel Security

2.5.5.1 Security Screening

- 2.5.5.1.1 All employees, contractors and consultants of the DPTRW, who require access to classified information and critical assets in order to perform their duties or functions, must be subjected to a security screening investigation conducted by the National Intelligence Agency (NIA) in order to be granted a security clearance at the appropriate level;
- 2.5.5.1.2 The level of security clearance given to a person will be determined by the content of or access to classified information entailed by the post already occupied or to be occupied in accordance with their respective responsibilities and accountability.
- 2.5.5.1.3 A security clearance provides access to classified information subject to the need-to-know principle.
- 2.5.5.1.4 A declaration of secrecy shall be signed by every individual issued with a security clearance to complement the entire security screening process. This will remain valid even after the individual has terminated his/her service with the DPTRW.
- 2.5.5.1.5 A security clearance will be valid for a period of ten years in respect to the confidential level and five years for Secret and Top Secret. This does not preclude re-screening on a more frequent basis as determined by the HoD of the DPTRW, based on information which impact negatively on an individual's security competence.
- 2.5.5.1.6 Security clearances in respect of all individuals who have terminated their services with the DPTRW shall be immediately withdrawn.

This document provides a comprehensive overview of the important characteristics of the

Comprehensive Security Solution as commonly understood. Its purpose is to:

- ✦ Confirm the understanding of the Project deliverables by the delivery organisation.
- ✦ Provide sufficient information about the solution and approach that the sponsor and delivery organisation can agree to proceed with the Project.
- ✦ Provide a framework upon which more detailed plans can be built.
- ✦ Document the delivery organisation's plans for completing the Project Defining, Planning and Implementation activities.

The structure of the Project definition includes the following components:

- ④ Project Goals and Objectives;
- ④ Project Background;
- ④ Target Solution and Approach;
- ④ Project scope; and
- ④ Project Organisation and Governance.

3 PROJECT BACKGROUND

3.1 Business Environment

The Head of Department as the Accounting officer of the Department is required by law to implement the Minimum Information Security Standards as approved by Cabinet in 1996. In his performance contract he has also committed to the Executive Authority that compliance to the standards will be observed. The DPTRW is responsible for developing, maintenance and custody of most of the Gauteng Provincial Government Infrastructure assets. Some of the Infrastructure Assets are critical to the functioning of Government and require amongst others, the security assessment for risk exposure.

3.2 Business Need

GNS as the Security and Risk advisor and implementer to the DPTRW works closely with the Security and Risk Directorates and the National Intelligence Agency (NIA). GNS scope as project Management Company includes but not limited to the following:

- ④ Physical security;
- ④ Security organisation;
- ④ Personnel security;
- ④ Institutional continuity planning; and
- ④ Information security.

3.3 Goals

This project is aimed at achieving the following goals:

- 1. Ensuring that the DPTRW is safe and secure for all its employees and stakeholders in compliance with security standard regulations, policies, and relevant legislation;
- 2. Provide advise to the Security and Risk directorates on a comprehensive security strategy
- 3. Upgrade physical security at all DPTRW sites;
- 4. Ensure that security service providers are security competent in terms of MISS; and
- 5. Understanding and maintaining security compliance at all times.

3.4 Objectives

The specific objectives of the project are to:

- 1. Provide the DPTRW with a comprehensive security solution as per directive of the Security Policy.
- 2. Facilitate the importance of security and compliance thereof;
- 3. Assist the Department specifically the Security and Risk directorate in meeting their mandate to ensure that security measures are undertaken as mandated by the National Government;
- 4. Obtain support and buy-in from key stakeholders; and
- 5. Assist the Department specifically the Security and Risk directorates in setting all security systems and policies within the Department as required by National Government.

3.5 Key Success Criteria

The issues raised under this context are deemed critical to the success of the project, such that, in their absence the project will fail. The key success criteria of this Project include, but not limited to:

- 1. Visible and active support from the Department's leadership;
- 2. Buy-in and active participation from all identified stakeholders;
- 3. Quick and early prioritized success;
- 4. Successful on-going communications; and

Successful evaluation and feedback.

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4 PROJECT SCOPE

4.1 Included in Scope

- Consultation;
- Due diligence;
- Continuous monitoring of Security service providers;
- Investigations of all security breaches;
- Screening of all DPTRW service providers;
- Physical Security Check;
- Installation of a comprehensive security system for the DPTRW and its Entities and;
- Installation of document safety systems like Safes and Strong Rooms throughout the Gauteng Provincial Government (GPG).

Throughout GNS will **project manage** the work effort in line with the generally acceptable project management procedures.

5 MILESTONES

The milestones and activities for the duration of the project are as follows:

On Thursday, 26 June 2008, GNS conducted TRA for the provision, installation and maintenance of an integrated state of the art security system that would manage:

- Pedestrian access control;
- Garage access control;
- License plate recognition;
- CCTV; and

Remote monitoring capability.

Our report covers an examination of the entire building wherein we visited each floor and engaged with staff in particular staff at the Head of Department's floor as well as in the Finance Department. We have established a standard alarm template for each of the floors in the North and South Towers and where applicable depending on the outcome of our dialogue with the staff on each floor we have submitted additional security requests customized to their particular needs. To allow for flexibility the entire system is linked and coordinated by TCP/IP access control to enable remote monitoring from any location. We have also taken the liberty of identifying additional risk areas that became apparent to us during our site visit and have provided input to you in that regard for your consideration at a later stage, should you so wish. For ease of management we have proposed that the security installation be broken up into 2 phases:

5.1 Integrated Security System

5.1.1 Phase I

Phase I of the project will comprise of the following:

- 1 3 KVA UPS with battery back up
- 16 Biometric finger print readers with 30,000 user capability
- 3 Biometric finger print take-on readers
- 25 Entrance / lobby purpose built biometric readers
- 25 Break glass exit control
- 2 Cameras for parking entrance
- 25 Dome camera
- 12 Dome infra red cameras covering access points
- 3 16 Channel digital video recorder
- 75 Fire escape door magnetic contacts
- 1 Spike barrier with traffic light for parking
- 1 Library door biometric reader with requisite hardware
- 25 Magnetic lock
- 6 Monitors
- 1 Personal computer mount server with GUI graphic alarm monitoring module
- 1 Personal computer mount server with printer
- 25 Passive infra red detector
- 25 Power supply

1	Rack mount unit for digital video recorders and personal computers
1	Software for 30,000 users
25	TCP / IP access control controller
1	TCP / IP interface
8	TCP / IP controllers for biometric finger print readers
3	Visitor control personal computers with webcam
1	Sundries
1	Installation
1	Engineering
1	Network and software integration with control room
1	Electrical tubing
1	Assembly
1	Excavating
1	Accessories

5.1.2 Phase II

On completion of Phase I we would then embark on Phase II which would incorporate the following additions:

- Additional customized security requirements for specific floors;
- License plate recognition ("LPR");
- LPR cameras;
- Automatic License Plate Recognition ("ALPR") software;
- I/O controllers;
- TCP/IP controls;
- Lift control modules;
- Lift control hardware;
- X-ray machine; and
- Metal detectors.

5.1.2.1 Alarm Template

We have provided for a standard package of products for each floor comprising:

- 1 X Dome camera;

- 1 X Passive infra red ("PIR") detector;
- 2 X Biometric reader;
- 1 X Break glass exit control;
- 1 X Magnetic lock;
- 1 X Power supply; and
- 1 X TCP/IP access control module.

One of the weaknesses we noted was that the fire escape doors were deliberately opened using all manner of device from fire extinguishers to folded cardboard. This practice compromises the effectiveness of the access control system and contravenes the fire regulations. We therefore strongly recommend that all fire escapes be shut using the suggested magnetic locks and should only be opened using the break glass exit control. The break glass exit control will be linked to the control room and any violation or genuine emergency situation will be transmitted to the control room and can be monitored via the dome cameras.

5.1.2.2 Floor Specific Additional Security

In the process of the assessment we adopted a consultative process by first engaging the Supervisor in charge of security and by identifying high risk areas that would require a customized security solution. The high security areas that were identified were the following floors:

8th / 9th / 11th / 12th / 13th Floor

Due to the sensitivities on these floors such as executive management, the nature of documentation stored and the nature of the work carried out by the employees, these floors have necessitated higher security requirements than what has been provided on our Standard Floor Template in 2 above. Additional hardware that has been provided is in the form of passive infra red cameras, biometric readers, alarm panels, key pads and panic buttons. Examples include a biometric finger recognition scanner for record rooms coupled with a camera to monitor unauthorized access.

- Some of the floors had common areas such as boardroom facilities which are utilized by the entire building. We have segregated these floors by isolating the common area and limiting access to the greater floor to people that work on the floor.
- Per the special requests received additional biometric finger print readers have been installed on the doors to the Head of Department's Office as well as to the doors to their respective personal assistants ("PA's").

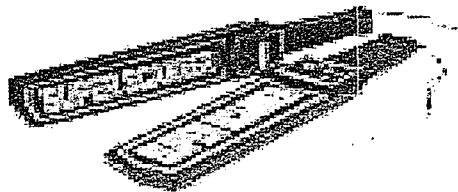
5.1.2.3 Ground Floor Access Control

Our findings and investigations revealed that a person could come into the building via the basement and go up to the executive floor armed and undetected. The main reason behind this is that in the basement the metal detector does not work and has not been in operation for a number of years. On the street level access control the metal detector there makes an audible sound whether or not the person entering the building has any kind of metal in their possession. The security personnel are unable to differentiate whether the sound is a valid alarm or whether it is simply a false alarm.



Although not part of our scope to this end we strongly recommend that the metal detectors be replaced with modern more sophisticated ones that indicate via various lighting mechanisms where the concentration of metal is on the body of the person entering the building.

In addition hand held metal detectors should also be used as a backup.



5.1.2.4 Ground Floor Registration

The principle that we have attempted to apply throughout our assessment is one that allows authorized personnel to pass through the building seamlessly with minimal delay. Visitors will be required to register at the front desk using the take-on finger print readers. Their details will be captured on the system and they will only have temporary access to the floor that they are going to. Other floors have indicated that they are prepared to collect visitors and escort them up to their floors and to escort them back down and out of the building. For the purposes of this our software can easily and at no cost be programmed to activate host badging where a visitor has to be accompanied by the person who signed him in otherwise a signal is sent to the control room informing that there is an "unattended" visitor walking around.

5.1.2.5 Asset Protection

Given the kinds of high value items that the Department owns with specific reference to laptops we have made a submission that includes asset tagging. The laptops will all have radio frequency identification ("RFID") tags that are linked to a specific user or users. When employees enter or leave the building the system will automatically and seamlessly check whether the person is carrying a lap top that they are authorized to carry. Should this not be the case an alarm will go off and the turnstiles will not open. Automatic and discreet asset verification of this nature will ease up congestion especially in the mornings and evenings and eliminate the constant frustration that employees seem to face on a day to day basis because they have to repeatedly open their cases and take out their lap tops for inspection.

5.1.2.6 Installation of Storage Equipment for Classified Documents for the GPG

Classified documents that are not in immediate use must be locked away in a safe storage place. The doors of all offices in which classified documents are kept must at least be fitted with security locks. There must be proper control over access to and effective control over movement within. Any building or part of a building in which classified information is handled. The identification of visitors, the issue of visitors' cards or temporary permits, the escorting of visitors, and the provision of identity cards for officers/employees working in the building/offices and the use of related documents and registers for this purpose are prerequisites for effective control over access to and within a building or part of a building.

Effective control must be instituted over access to security areas in a building such as cryptographic and computer centres, the registry (where secret and top secret documents and files are kept) and other areas identified as sensitive. An access register must be instituted and kept up to date for all persons/officers not normally working in these areas. Where necessary (depending on the sensitivity of the classified material kept or dealt with in a particular room or division) doors, windows, fanlights, passages, stairs, etc, giving access to the room or division should be equipped with locks, bolts, iron bars or metal blinds of adequate strength, as the case may be. In some cases it may be sufficient to equip one room in a building in this way to serve as registry or storeroom for classified material. If the officer(s) leave the room for a longer period, e.g. during lunch hour, all classified secret and top secret material must be locked away in a safe or metal cabinet which is of adequate strength and equipped with a security lock.

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When classified documents are not in use, they must be stored in the following way:

- ⊛ **Restricted:** Normal filing cabinet.
- ⊛ **Confidential:** Reinforced filing cabinet.
- ⊛ **Secret:** Strong room or reinforced filing cabinet.
- ⊛ **Top Secret:** Strong room, safe or walk-in safe.

The keys to any building, part of a building, room, strong room, safe, cabinet or any other place where classified material is kept must be looked after with the utmost care and **effective key control must be instituted. The keeping of the necessary key registers and the safe custody of duplicate keys and control over such keys must be strictly adhered to.** If a strong room or safe is fitted with a combination lock, the combination must, apart from being reset when it is purchased, **be changed at least once every three months**, or on the following occasions:

- ⊛ When it is suspected that it has been compromised.
- ⊛ On resumption of duty after a continuous period of absence, whether on vacation leave or for official reasons, if the combination had necessarily to be made known to some other person for use during the period concerned.
- ⊛ When a new user takes over.

Combinations may be compromised by:

- ⊛ Unauthorised persons noting the combination through observation when the lock is opened;
- ⊛ Failure to set the combination in accordance with the manufacturer's specifications; and
- ⊛ Failure to change the combination after a reasonable period.

Precautions must therefore be taken by the authorised user to ensure that no other unauthorised person is present when the new combination is set or the lock is opened. When a combination is reset, the following rules should be adhered to:

- ⊛ The figures making up a specific combination should not be used more than once in succession, even if they are in a different order.

- Avoid the use of numbers with some personal significance, e.g. age, date of birth, telephone numbers, street addresses and numbers of safes, etc. Also avoid the figures zero (0), five (5), ten (10) and multiples of the last two. High and low numbers should preferably be used alternately (e.g. 68-13-57-11).
- Only the user may set a combination lock.

Knowledge of a combination should be restricted to the minimum number of persons desirable on the grounds of operational requirements, e.g. in the case of a communal safe. After the combination has been reset, the new combination must be handed to the Head of Security or other person designated for the purpose in a sealed envelope for safe custody, so that he can complete the combination lock register. As far as the safe, strong room keys and the combinations of cryptographic centres are concerned, the requirements contained in the Communication Security Instructions must be complied with. Access to any controlled building, part of a building or room where classified information is handled/stored outside normal office hours should be prohibited to all persons who do not work there. Repairs to and the cleaning of such premises must take place in the presence **and under supervision** of the persons who work there. Persons who have to gain access to a building after hours must be duly authorised accordingly by the Head of the Institution or his delegate. The Head of Security must take appropriate steps to arrange access and record keeping.

GAUTENG PROVINCIAL GOVERNMENT INSTALLATION OF SAFES AND STRONG ROOMS

MILESTONES/ DELIVERABLES	ACTIVITY	CORRECTIVE MEASURES
<ul style="list-style-type: none"> • Installation of Safes, Strong Rooms and other document security measures for the GPG 	<ul style="list-style-type: none"> • Classification of Information • Proper storage of Classified information 	<ul style="list-style-type: none"> • Conduct security audit in respect of information held by each Department • Assist GPG Departments in classifying all their information: <ul style="list-style-type: none"> • RESTRICTED • CONFIDENTIAL • TOP SECRET • SECRET • Screen the employees handling the info as classified above • Install the following: <ul style="list-style-type: none"> • Normal Filing Cabinets for Restricted Documents and Information

- **Reinforced filing Cabinets** for Confidential Documents and Information
- **Strong Rooms** for Secret Information and Documents
- **Strong Rooms, Safe or Walk-in-Safe** for Top Secret Information and Documents

5.1.2.7 Screening of DPTRW Employees & Service Providers

• Personnel Security

Security vetting is the systematic process of investigation followed in determining a person's Security competence. The degree of security clearance given to a person is determined by the content of and/or access to classified information entailed by the post already occupied/to be occupied by the person. A clearance issued in respect of a person is merely an indication of how the person can be utilised, and does not confer any rights on such a person. A declaration of secrecy should be made on an official form by an applicant to any government post, before he/she is appointed or during the appointing process. Political appointees (Director Generals, Ambassadors, etc) will not be vetted, unless the President so requests or the relevant contract so provides. From the lowest level up to Deputy Director General all staff members and any other individuals who should have access to classified information, must be subjected to security vetting. A security clearance gives access to classified information in accordance with the level of security clearance, subject to the need-to-know principle.

• Screening Criteria

Screening criteria need to be adjusted continuously owing to the development in the political field and changes in the social and socio-economic fields. On a macro level, screening criteria must be adjusted to the norms and values of the community of which the person is a part. However, on the micro level, screening criteria must provide for the unique nature of individuals and organisations. The overall picture of an individual's security competence (which is the result of individual differences and the individual's unique way of handling situations) has to play a determining role in vetting recommendation/decision. Aspects such as gender, religion, race and political affiliation do not serve as criteria in the consideration of a security clearance, but actions and aspects adversely

affecting the person's vulnerability to blackmail or bribery or subversion and his loyalty to the State or the institution. This also includes compromising behaviour.

Security Screening: Contractors Supplying Services to the DPTRW

The onus is on the DPTRW in each case to indicate expressly in documents sent the State Tender Board or private contractors whether there are security implications that should be taken into account in advance when they perform their duties for the department/institution involved. If there are such implications, reasons must be given for the inclusion of a clause in the tender document indicating the degree of clearance required, as well as a clause to ensure the maintenance of security during the performance of the contract.

The clause could read as follows:

"Acceptance of this tender is subject to the condition that both the contracting firm and its personnel providing the service must be cleared by the appropriate authorities to the level of **CONFIDENTIAL/SECRET/TOP SECRET**. Obtaining a positive recommendation is the responsibility of the contracting firm concerned. If the principal contractor appoints a subcontractor, the same provisions and measures will apply to the subcontractor. Acceptance of the tender is also subject to the condition that the contractor will implement all such security measures as the safe performance of the contract may require." The security responsibilities of the contractor will be determined by the department/institution concerned.

SCREENING OF SERVICE PROVIDERS

MILESTONES/ DELIVERABLES	ACTIVITIES	TARGET
Consultation with stakeholders	<ul style="list-style-type: none"> • Steering Committee • Supply Chain Management 	ONGOING
Conduct Due Diligence	<ul style="list-style-type: none"> • Identify all Service providers within the Department • Classify Service Providers according to projects 	ONGOING
Screening	<ul style="list-style-type: none"> • Establish compliance in terms of procurement documents 	

- MISS Compliance
- Security Competency

PROVIDE PRELIMINARY REPORT ONGOING

Security Check

- Establish citizenships of appointed Service Providers and its personnel
- Criminal Records
- SARS Compliance
- Financial statements
- Compliance with relevant authorities
 - PSIRA
 - NHBRC; etc
 - Verification with CIPRO

PROVIDE DETAILED REPORT

- Conduct workshops
- Inspections

CONSOLIDATED FEEDBACK REPORT ONGOING

Awareness and Communications

GNS compliance and control teams will conduct continuous site inspections to ensure compliance to the Service Level Agreements by all DPTRW security service providers. They will also conduct investigations on reported security breaches and provide feedback with recommendations to the DPTRW and ensure that the Security Manager and HOD/CEO are advised of any security breach incidents as soon as possible. Audits and Inspections shall be reported to the Security Manager/HOD/CEO forthwith after completion thereof.

6 PLANNING FRAMEWORK

6.1 Key assumptions

- The goal of this project is to support the vision, mission, and objectives of the DPTRW strategy.
- The project will help the DPTRW to achieve its goal of outstanding service delivery.
- The DPTRW's management actively supports improvements in the following areas of procurement processes: framework, tools, and document management skills.

- The timeline is reasonable and doable. The phased rollout supports early success and continued improvement. The project includes a lengthy implementation as components are developed and implemented, followed by sustained competency and improvements in the respective areas.
- The DPTRW's management assigns key project roles and adequate budget for the development and implementation of this project.
- Effective, adequate, and appropriate levels of communication occur between the DPTRW's management, the sponsor, and the project team during all phases of the project.
- The framework deliverable avoids excessive detail to ensure common understanding, flexibility, and adoption.
- The deliverables of the project are implemented within the DPTRW.

6.2 Key dependencies

The team is aware of the other specific dependencies on this project and/or outputs.

6.3 Constraints

The project constraints listed hereunder are based on the current knowledge today and past experience.

- Lack of co-operation by DPTRW officials.
- Unavailability of delegates at workshops.
- Unavailability of documents.

6.4 Project Risks

RISK	IMPACT	PROBABILITY	PROPOSED INTERVENTION/SOLUTION
Management may not be committed to the Project	L	M	Identify the root cause of non-commitment and implement interventions to address those. Continuous positive communication on the Project benefits that will encourage participation.
Employees may not buy into the process due to lack of communication regarding the project	H	H	Promote positive message of Vision and Service Excellence Orientation. Communicate that Project is aimed at improving people issues in the Department, which means improved working environment as well as improved customer relationships.
Poor response to the "AS IS" analysis by employees/sample task teams due to lack of	H	M	Communicate the message and it is intended to confirm the progress on the Projects undertaken since then, as well as to assist the

communication and awareness

Lack of buy-in

H

M

Project team to identify specific departmental change issues so that they can be addressed in the departmental capacity building interventions

Communicate with stakeholders on the Project on an ongoing basis, identifying the benefits of the Project and the importance or necessity of the Project for the Department. Also remove misconceptions about the Project.

7 PROJECT ORGANISATION

7.1 Project Steering Committee

- Mr. Jabu Mthethwa – Security Manager
- Ms. Kwena Manamela – DD Security
- Mr. Relibile Mofokeng – GNS
- Ms. Mamakhe Mdhluli – GNS

8 MANAGEMENT SYSTEM

The management system is the total system used to manage the Project. This includes risk management, issue management, change control, progress reviewing and tracking as well as time recording.

8.1 Risk Management

The process to manage risks contains the following activities:

- Identifying and recording, as early as possible, all potential risks to the Project. Risks may be identified at all levels (from the Project Director downwards), and the reports will need to be consolidated.

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- ☛ Assessing the likelihood of each risk occurring and the cost to the Project (in terms of lost benefits or of corrective action) should the risk occur?
 - ☛ Agreeing on an action plan to minimise the likelihood or cost of each risk. Actions will include avoiding, containing, and monitoring the risk, as appropriate.
 - ☛ Regularly reviewing and verifying all risks with the associated assessment and actions, and incorporating new risks.

8.2 Issue Management

An issue is a problem that cannot be resolved by an individual or within the Project team. The process to track and control issues to their resolution will include:

- ☛ Identifying and capturing each issue.
- ☛ Appointing an action manager to be responsible for getting issues resolved.
- ☛ Logging and reviewing all outstanding issues, and maintaining a status report.

8.3 Change Control (Changes in Scope)

Changes to the Project definition at all levels will be managed with the following simple mechanism:

- ☛ The Project manager or sub-project leader will log any change request.
- ☛ The change will be assessed in terms of time, effort and benefit and a change definition produced.
- ☛ The change has to be approved at the next higher level, e.g. a change affecting a sub-project must be approved by the Project Manager, a change affecting the Project overall has to be approved by next level, and so forth.
- ☛ If the change is approved, the relevant plans and documentation will be updated accordingly, e.g. if the change impacts Project delivery, timeframes or cost, the Charter and the Project plan will be updated.

8.4 Documentation

All documentation and records pertaining to the Project will be kept by the Project Team Leader and in the Project Office.

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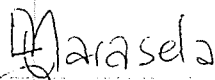
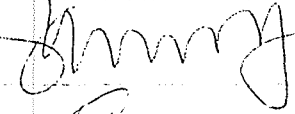

**URBAN TRANSPORT FUND
MONITORING & COMPLIANCE SERVICES**

PROJECT CHARTER & IMPLEMENTATION PLAN

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APPROVALS

Approval of the Project Charter indicates an understanding of the purpose and content described in this document. By signing this document, each individual agrees work should be initiated on this project and necessary resources should be committed as described herein.

Approver Name	Title	Signature	Date
Loyiso Marasela	COO UTF		25/01/2008
Relibile Mofokeng	Project Manager GNS		25/01/2008
Molefe J Mollo	Office Manager: Office of the HoD		25/01/2008

GNS

CLIENT SERVICE

Since its inception GNS has been a renowned Risk services specialist with a long standing unparalleled reputation for thoroughness and discretion for delivering professional services under the most demanding of conditions to a Client base representative of leading corporations and government.

GNS knows and understands the associated risks and exposures that Clients are faced with. As a result, we provide Client's with pragmatic advice and strategies to reduce the probability of loss and protect a Client's assets against unpredictable events that could potentially impact performance and/or profitability, as well as evaluation of risks, realising opportunities and resolving any foreseen challenges.

Our project teams specialise in risk management, investigative assignments, gathering information, due diligence and providing advice. The experience and expertise of our project teams as well as our ability to create innovative risk management solutions provide Clients with cutting edge knowledge and advice on risk management. At GNS we pride ourselves in providing project teams lead by subject matter experts that are hands-on and take pleasure in working closely with Clients. This is the core competency of GNS and where we add real value to a Client in the design of their risk management programs.

CAPABILITY

On timeous basis GNS business solutions continues to assist a number of corporations, individuals and government deal with the complexities of the modern world.

DISCRETION

Our work is frequently sensitive and we appreciate the need for discretion. Our Clients' confidence in us is our greatest asset and we maintain our position as market leader because our business ethics and procedures ensure the highest standards of professionalism and propriety. Before accepting any assignment, we cross reference potential Clients with our internal records and we accept no assignments where there may be a conflict of interest. All our activities are performed in strict compliance with South African legislation.

ADDED VALUE

Our extensive experience and expertise in assisting Client's with a wide variety of issues entails that on each assignment, GNS adds value in the following ways:

- By designing the most effective methods of achieving Client's goals;
- By gathering information not otherwise available to our Clients;
- By protecting the anonymity of our Client's interests;
- By effectively gathering publicly available information; and
- By improving our Client's abilities to:
 - Identity relevant issues
 - Develop creative solutions
 - Evaluate risks and exposures

A WORLD OF EXPERINCE

GNS has a variety of specialists with experience in corporate and criminal law, finance, due diligence, forensic audits, intelligence, law enforcement, management consulting, military, regulation, research and security. The GNS team comprises of individuals with vast experience and are renowned subject matter experts in their areas of specialization

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PREFACE

This document provides a comprehensive overview of the important characteristics of the Project as commonly understood.

Its purpose is to:

- Confirm the understanding of the Project deliverables by the delivery organisation.
- Provide sufficient information about the solution and approach that the sponsor and delivery organisation can agree to proceed with the Project.
- Provide a framework upon which more detailed plans can be built.
- Document the delivery organisation's plans for completing the Project Defining, Planning and Implementation activities.

The structure of the Project definition includes the following components:

- Project Goals and Objectives;
- Project Background;
- Target Solution and Approach;
- Project scope; and
- Project Organisation and Governance.

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1 Project background

1.1 Project Objective

In terms of the National Archives Act and the Minimum Information Security Standards (MISS) all state organs are required to implement certain procedures that are prescribed to ensure that there is a proper and accurate document management system.

The nature of UTF's projects are of a security nature such that any breach can undermine the achievement of the objectives of the Gauteng Provincial Government (GPG) and the constitutional rights of its citizens e.g. privacy. Most of the UTF's projects are classified in terms of MISS procedures which require UTF to implement a system that will ensure compliance to the MISS requirements.

The aim of this project is to conceptualise, implement and maintain a system that will ensure that UTF complies with all the legislative requirements in our projects.

1.2 Developments to Date

In **November 2007**, the GNS Project team initiated a first phase of the Project, which involved situational analysis, planning for change as well as stakeholder consultation. Still in **November 2007** the Project team drafted the Project Charter with a detailed implementation plan focusing on the following:

- Reclassification of projects and information;
- Provide ongoing Technical Surveillance and Counter measures for I3S command centre process;
- Research and classification of key projects in the DPTRW (UTF);
- Ensure compliance with the National Key Point Act of 1980;
- Personnel screening and
- Monitoring and observation of the I3S process.

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1.3 Benefits

This Project will establish an enabling environment for the DPRTW (UTF) employees of Target Departments to take ownership of the change process in order to achieve the following long term outcomes:

- Compliance with MISS, National Archives and other relevant legislations
- Timely identification, assessment and mitigation of risks and exposure;
- Improved information management and security;
- Increase in security management activities

1.4 Key Success Criteria

The issues raised under this context are deemed critical to the success of the project, such that, in their absence the project will fail. The key success criteria of this Project include, but are not limited to:

- Visible and active support from the Department's leadership;
- Buy-in and active participation from all identified stakeholders;
- Leverage prior work on issued internal reports and other efforts.
- Successful on-going communications.
- Successful evaluation and feedback.

2 Project Scope

2.1 Included in Scope

The scope of work includes:

- Facilitation the vetting of persons and companies involved in UTF projects
- Facilitation the classification of key strategic projects and information at the DPTRW (UTF) in conjunction with NIA;
- Developing procedures to Ensure compliance with the National Key Points Act of 1980;
- Developing procedures to Ensure compliance with MISS;
- Establish a system of Continuous MISS compliance monitoring.

3 Project Milestone

3.1 Overall Approach

Major milestones, deliverables and costs from January 2008 through to November 2008 are as follows:

Milestones	Deliverables	Target Dates	Budget (Excl. Vat)
Planning			
Project Mobilisation	Draft Charter	28 Nov 2007	180,980.00
Compile Project Charter	Draft Project Plan		
Project Charter and Project Plan signed off	Final Charter	15 Jan 2008	
	Final Project Plan		
Screening			
1. Gather Knowledge of business	Project and Contractor List		108,000.00
▪ Strategic Plan	Personnel and Personnel Activity List.		
▪ List of Projects	List of Key Acts, Policies and Procedures.		
▪ Contractor List			
▪ Personnel List			
2. Legislative Requirement	Requirements Checklists		241,800.00
▪ Miss checklist			
▪ National Archives Checklist			
▪ National Key points			

<p>3. As-is Assessment</p>	<p>As- is Report</p>	<p>648, 500.00</p>
<p>4. Initiative of NIA Vetting</p> <ul style="list-style-type: none"> ▪ Personnel ▪ Information Security ▪ Service Provider 	<p>Vetting Request to NIA with contractor and personnel information.</p>	<p>60,000.00</p>
<p>5. Analysis of Screening Report-Recommendations</p>	<p>Action Plan Report</p>	<p>350, 000.00</p>
<p>6. Compile Information Security Manual, Standards, Procedures and Policies.</p> <ul style="list-style-type: none"> ▪ Personnel ▪ Information Handling ▪ Contractor 	<p>Information Security Procedures Manual</p>	<p>780, 000.00</p>
<p>7. Design awareness programme</p>	<p>Information Security Training Manual</p>	<p>110,990.00</p>
<p>TOTAL</p>		<p>R 2,480 270.00</p>
<p>Information Security</p>		
<ul style="list-style-type: none"> ▪ As is Assessment ▪ Development Standards, Procedures, Document Management System. - Develop compliance Monitor Tools 	<p>Assessment Report Information Security Standards, Procedures, Document Management System, IT security.</p>	<p>1,405,000.00</p>

MONITORING & COMPLIANCE SERVICES

Project Charter

- Exposure Management Tools				1,405,000.00
TOTAL				
Compliance Monitoring				5,180,000.00
Quarterly Assessment		Quarterly Reports		
Corrective Action Log		Findings Log and Correction		
Findings Log		Action Log		
Continuous monitoring of UTF assets.				R 5,180,000.00
TOTAL				R 9,065,270.00
SUB TOTAL				R 1,269,137.80
VAT @14%				R10,334,407.80
GRAND TOTAL				

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4 Planning framework

4.1 Key assumptions

- The goals of this project support the vision, mission, and goals of the UTF's strategy.
- The project helps the UTF's to achieve its goal of outstanding service delivery.
- The UTF's management actively supports improvements in the following areas of procurement processes: framework, tools, and document management skills.
- The timeline is reasonable. The phased rollout supports early success and continued improvement. The project includes a lengthy implementation as components are developed and implemented, followed by sustained competency and improvements in the respective areas.
- The UTF's management assigns key project roles and adequate budget for the development and implementation of this project.
- Effective, adequate, and appropriate levels of communication occur between the UTF's management, the sponsor, and the project team during all phases of the project.
- The framework deliverable avoids excessive detail to ensure common understanding, flexibility, and adoption.
- The deliverables of the project are implemented within the UTF.

4.2 Key dependencies

- The team is aware of the other specific dependencies on this project and /or outputs of other projects.

4.3 Constraints

The project constraints listed hereunder are based on the current knowledge today and past experience.

- Lack of co-operation by UTF officials
- Unavailability of documents i.e. Strategic plan, Security plan
- Physical access to the facilities and project office space

Document	UTF Implementation Plan Marasela v5-finalUpdated	Date	10-01.08
Author	GNS Team	Status	DRAFT Ver. 3
Project Name	Monitoring & Compliance Services Project	Page	14 of 17

**TRACY SISCHY
ATTORNEYS
PROKUREURS**

E
104

Head of Department of Roads and Transport
Attention: Ms Monama
By fax: 086 562 3857

44 Olympic Road
Blairgowrie
Randburg
2194
Docex 121, Randburg
Tel: 011 886 0242
Fax: (011) 886 1391
Cell: (082) 332 8072

Our Ref: A0226/Buthelezi
Your Ref:

Date: 02/12/2010

Dear Sir/Madam

Re: S.BUTHELEZI / DEPARTMENT OF ROADS AND TRANSPORT

1. We confirm that we act on behalf of Mr Buthelezi.
2. On 8 November 2010 the star printed and circulated a newspaper article by Anel Lewis with the heading "D.A to sue after Gauteng ignores R50 million overspend". We attach a copy of the article hereto. This article places the Department and our client in a poor light.
3. The newspaper article states that our client overspent on a security contract with GNS by more than R50 million. It implies that the appointment of GNS was unlawful. It further states that the appointment of GNS was a "*giant rip off*" as the companies that replaced GNS, namely Abalozi charges R24 million less per annum.
4. Our client herewith requests certain documents to enable him / the Department to reply to the erroneous allegations of the star. To enable him to do it he requires the following:
 - 4.1 Project charter. ✓

- 4.2 Copy of service level agreement. ✓
- 4.3 Copy of submissions to DAC and/or TEAC. ✓
- 4.4 Copies of payment certificates to value of R71 million.

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5. Application for deviation if applicable and the memo in support thereof. ✓

6. Mr Nkosi (the MEC at the time) responses to legislature questions relation thereto.

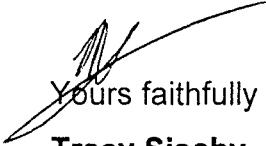
7. The Auditor – General's report and management letter for the following financial periods:

7.1 2007 – 2008

7.2 2008 – 2009

7.3 2009 – 2010

8. Kindly let us have same within 7 days of receipt hereof.


Yours faithfully

Tracy Sischy

We close on the 14th December 2010.

We open on the 6th January 2011.

Send Result Report



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MFP

FS-1128MFP

Firmware Version 2JN_2F00.021.009 2010.03.02

06/12/2010 10:51
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TRACY SISCHY ATTORNEYS PROKUREURS

Head of Department of Roads and Transport
Attention: Ms Monama
By fax: 086 662 3857

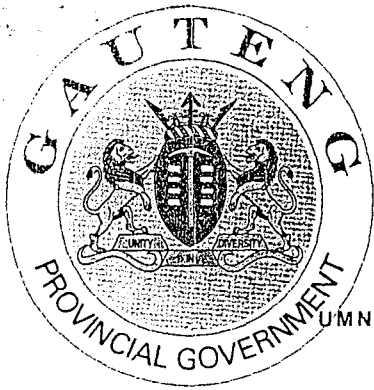
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Our Ref: A0226/Buthelezi
Your Ref:

Date: 02/12/2010

Dear Sir/Madam

No.	Date and Time	Destination	Times	Type	Result	Resolution/ECM
001	06/12/10 10:43	0865623857	0°05'26"	FAX	OK	200x100 Normal/Off



107 F

DEPARTMENT OF PUBLIC TRANSPORT, ROADS AND WORKS
DEPARTEMENT VAN OPENBARE VERVOER, PAAIE EN WERKE
LEFAPHA LA DIPALANGWA TSA SETJHABA, DITSELA LE MESEBETSI
UMNYANGO WEZOKUTHUTHA WOMPHEKATHI, EZEMIGWAQO NEZEMISEBENZI

Enquiries: Molefi Mollo
Tel: 011-355 7440

General Nyanda Risk Security (GNS)
3rd Floor,
20 Baker Street
Rosebank

Mr. R.O. Mofokeng

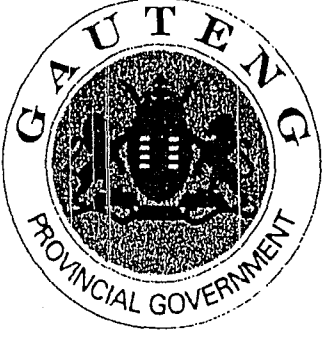
**APPOINTMENT TO PROJECT MANAGE THE ON THE
SECURITY POLICY IMPLEMENTATION OF THE DEPARTMENT**

I hereby appoint GNS as the implementer and advisor on the security policy as approved of Gauteng Department of Transport, Roads and Works in line with the Minimum Information Security Standard. GNS will be required to work with the Security Directorate and National Intelligent Agency and will report directly to my office. A contract will be concluded with GNS that spells out the scope of the work as project Management Company.

Head of Department
Sibusiso Buthelezi

Date: 25/10/2007

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	<h1>MEMORANDUM</h1>	<p>DEPARTMENT OF PUBLIC TRANSPORT, ROADS & WORKS</p> <p>OFFICE OF THE HEAD OF DEPARTMENT</p>
<p>Enquiries</p>	<p>Sina Kotsokoane</p>	<p>Tel 011-355 7301</p>

<p>TO:</p>	<p>DAC TEAC</p>
<p>FROM:</p>	<p>Mr. Molefi Mollo Head: Office of the HOD</p>
<p>DATE:</p>	<p>24 October 2007</p>
<p>SUBJECT:</p>	<p>APPOINTMENT OF GNS FOR MANAGEMENT OF SECURITY PROJECT</p>

PURPOSE

For DAC and TEAC to note the appointment of GNS by the Head of Department to project manage the implementation of the Minimum Information Security Standard and Approved Security Policy of the Department.

BACKGROUND

The Head of Department as the Accounting Officer of the Department is required by law to implement the Minimum Information Security Standard as approved by Cabinet in 1996. In his performance contract he has also committed to the Executive Authority that compliance to the standard will be observed which commitment, is compulsory as per the Public Service Commission directive.

The Gauteng Department of Public Transport, Roads and Works (DPTRW) is responsible for developing, maintenance and custody of most of the Gauteng Provincial Government Infrastructure assets. Some of the Infrastructure Assets are critical to the functioning of the Government and require amongst others, the security assessment for risk exposure in term of the National Key Points act of 1980 (i.e Vaal Dam and G-fleet).

In this current Financial Year, DPTRW is involved with amongst others the following projects

- Implementation of Integrated Safety and Security System (I3s) which involves sensitive security designs and foreign nationals are part of the project. The Project has not been classified as per the security guidelines of our country.
- Possible Implementation of the Monorail project which also involves foreign nationals. The Project has not been classified as per the security guidelines of our country.

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The DPTRW does not have capacity for the implementation of these security guidelines.

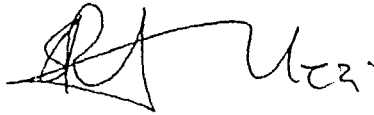
DELIBERATION

Due to lack of expertise and nature of the work required by our laws, the HoD hereby appoints GNS as the project manager for the implementation of the MISS and Department's Security Policy in terms of the Practice Note 5 of Supply Chain Management on appointment of consultants. The Choice of GNS as the company is due to its expertise and experience that comes from the chairman of the Company, General Sipiwe Nyanda who has been exposed and trained on the security matters on the highest level of the Country. The Scope of the project will involve

- Facilitation of the Vetting when required,
- Classification of Project and Information,
- Restructuring of the Security Unit,
- Risk Assessment of Department's Strategic Assets for compliance with National Key Points Act of 1980.

RECOMMENDATION

That DAC and TEAC notes the reasons of HoD to appoint GNS in terms of the power conferred on him by the Practice note 5 of Supply Chain Management.



Molefi Mollo

Office Manager:

Date: 25/10/2007

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Tracy Sischy

From: "Khanyi Mndaweni" <khanyim@ombudsman.org.za>
To: <tsischy@absamail.co.za>
Cc: "Johan Retief" <johanr@ombudsman.org.za>; <pressombudsman@presscouncil.org.za>
Sent: 25 May 2011 11:07 AM
Subject: FW: Submission in response to the complaint from Sibusiso Buthelezi

Dear Ms Sischy

Please find below a response from The Star. Please note that you have 7 days to respond.

Regards,
 Khanyi

From: Janet Smith [mailto:janet.smith@inl.co.za]
Sent: 24 May 2011 04:50 PM
To: Khanyi Mndaweni
Subject: Submission in response to the complaint from Sibusiso Buthelezi

Dear Khanyi

This is our submission in response to the complaint from Sibusiso Buthelezi. Please note that reporter Anel Lewis is no longer with The Star, but she put the response together with her former news editor, Jillian Green.

Regards, Janet

- 1 We have read through Mr Buthelezi's complaint and can find no inaccuracies with the story. The story was
- 2 based on a response by former MEC of Transport Bheki Nkosi to questions by DA MPL Jack Bloom.
- 3 Below is a link that refers in detail to Bloom's statement. We quoted the same statement in the article.
- 4 [http://www.itweb.co.za/index.php?option=com_content&view=article&id=38714:exgauteng-transport-head-](http://www.itweb.co.za/index.php?option=com_content&view=article&id=38714:exgauteng-transport-head-charged&tmpl=component&print=1)
- 5 [charged&tmpl=component&print=1](http://www.itweb.co.za/index.php?option=com_content&view=article&id=38714:exgauteng-transport-head-charged&tmpl=component&print=1)
- 6 Please note Jack Bloom's statement, which is available at
- 7 <http://politicsweb.co.za/politicsweb/view/politicsweb/en/page71619?oid=210222&sn=Detail&pid=71619>
- 8 Mr Buthelezi is correct in saying that he was not approached for comment. The Star could apologise for this, if
- 9 anything.
- 10 And although the article does not say that he appointed GNS and awarded the controversial contract, we do
- 11 not make it explicitly clear that Mr Buthelezi was the accounting officer at the time.
- 12 The opening paragraph could be regarded as misleading as it says the department will not take legal action
- 13 against Mr Buthelezi for overspending by more than R50m, when it should say for authorising the overspend
- 14 of R50m.
- 15 However, Mr Buthelezi was charged under Section 81 of the PFMA for irregular expenditure - for authorising
- 16 payment of the contract without there being a proper procurement process.
- 17 The other issues raised by Mr Buthelezi, about the core function of the fleet and so on, are, we believe,
- 18 irrelevant to the article. Everything else has been written from Mr Bloom's statements and Mr Nkosi's written
- 19 reply which was distributed in the provincial legislature.

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**Jack Bloom lays charges over Nyanda contract**

Jack Bloom
 08 November 2010

DA MPL wants Sibusiso Buthelezi investigated for apparent gross negligence

GAUTENG PREMIER WON'T, SO DA LAYS CHARGES OVER NYANDA CONTRACT

I have today laid a charge of financial misconduct against Mr Sibusiso Buthelezi, the former head of the Gauteng Roads and Transport Department, for his apparent gross negligence in the award of a contract without tender to GNS Risk Advisory Services, a company that was 45% owned by General Sphiwe Nyanda.

The charge was laid at the Commercial Crimes Unit in Johannesburg (see the full affidavit below).

According to an official reply by Gauteng Roads and Transport MEC Bheki Nkosi to my questions in the Gauteng Legislature earlier this year: "The irregularity in the award of this tender relates to the fact that no procurement procedures other than the deviation route were followed in terms of advertisements, evaluation and approval of service provider."

It is now clear from information that I received from another official reply from Nkosi last week that this contract was a huge rip-off as companies that replaced GNS (now renamed Abalozi Security) are doing the same job at a vastly reduced cost - about R24 million less per year.

This would not have happened if the contract went out to competitive tender.

I estimate that the department probably overpaid more than R50 million out of the R71 million paid to Abalozi before its contract was cancelled in March this year after it was awarded in October 2007.

Buthelezi is charged under Section 81 of the Public Finance Management Act (PFMA) that says that an accounting officer of a department commits financial misconduct if he willfully or negligently "makes or permits an irregular expenditure or a fruitless and wasteful expenditure".

He faces a possible criminal sentence in terms of Section 86 of the PFMA if his non-compliance is found to be willful or grossly negligent. This offence can lead to a fine or imprisonment not exceeding five years.

If Buthelezi is convicted he could then be liable to pay back the wasted money.

It is an utter disgrace that Gauteng Premier Nomvula Mokonyane has ruled out any action against Buthelezi in this matter, who was also let off the hook after a settlement was reached with him following the damning findings of the Resolve Group report into allegations made by former MEC Ignatius Jacobs.

I suspect that Buthelezi is not being pursued in this matter by Mokonyane because he is part of ANC Gauteng Chairperson Paul Mashatile's "Alex Mafia" and the Nyanda link probably makes it politically risky as well.

I have laid this charge as there must be accountability for the huge waste of public money by the award of this security contract without tender.

It is no use having a wonderful piece of legislation like the PFMA if it is not enforced at all times.

STATEMENT

I, the undersigned,

Jack Brian Bloom

do hereby make oath and state the following:-

- 1) I am an adult male of full legal capacity with identity number 610102 5048 083. I am an elected member of the Gauteng Provincial for the Democratic Alliance (DA) and its designated spokesman on corruption in this province telephone 011 498 5979, 082 333 4222.
- 2) The facts herein contained are, as save where otherwise stated or as appears from the context, within my own personal knowledge and belief, true and correct.
- 3) I am well aware that the content of this statement is not to set the solitary basis for the purposes of prosecution nor does this statement contain irrefutable evidence of fact for the purposes of prosecution, but is designed to assist law enforcement agencies to investigate information that has now become public knowledge.
- 4) According to an official reply in the Gauteng Provincial Legislature by Mr Bheki Nkosi, then Gauteng MEC for Roads and Transport, "a contract relating to services of risk management, advisory services and security services" was awarded to GNS Risk Advisory Services on 25 October 2007.
- 5) Furthermore, according to this written reply "a tender process was not followed in awarding the contract. The Accounting Officer appointed GNS Risk Advisory Service through a deviation as provided for in terms of Treasury Regulations 16A6.4" and "The value of the contract in respect of the Department and its entities in general was not in all instances of services required from GNS determined in advance and fixed for the period in which the services were rendered The irregularity in the award of this tender relates to the fact that no procurement procedures other than the deviation route were followed in terms of advertisements, evaluation and approval of service provider." (see attached reply 4.TR001).
- 6) According to this reply, the said contract was reviewed and cancelled on 16 March 2010 and it was discovered that there were other companies who could do the same service at a much lower rate.
- 7) The extent to which replacement companies were cheaper is revealed in another official reply in the Gauteng Legislature by Nkosi (see attached reply 5.TR081). For instance, instead of paying R848 160 per month to Abalozi to guard g-Fleet at Bedfordview, Potlako Security and Cleaning Services is doing the job for R184 643 a month. A further R747 840 a month to Abalozi for "g-Fleet risk assessment, fraud prevention and forensic investigation" has now been dispensed with altogether. All in all, it is reasonable to estimate that about R2 million a month has been saved by cancelling the Abalozi contract.
- 8) In relation to all of the above it should be established whether in terms of Section 81 of the Public Finance

Handwritten signature: jbbloom@gpl.gov.za

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Management Act any act of financial misconduct has been committed, specifically by the accounting officer and then Head of Department Mr Sibusiso Buthelezi,

9) In relation to all of the above it should be established whether in view of the large amounts of money saved by the cancellation of the contract, Mr Sibusiso Buthelezi contravened Section 86 (1) which makes it a criminal offence if non-compliance is willful or grossly negligent.

10) In relation to all of the above, whether any other person can be held accountable both criminally and financially.

11) I know and understand the contents of this statement and have no objection to taking the prescribed oath, which I consider to be binding on my conscience.

Statement by Jack Bloom MPL, DA Gauteng corruption spokesman, November 8 2010

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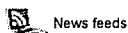
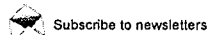
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**TRACY SISCHY
ATTORNEYS
PROKUREURS**

113

Independent Newspaper (Pty) Ltd t/a The Star
Attention: Ms Janet Smith
By e-mail: janet.smith@inl.co.za

CC: Press Ombudsman
Attention: Khanyi Mndaweni
By e-mail: khanyim@ombudsman.org.za

CC: Mr Johan Retief
By e-mail: johanr@ombudsman.org.za

44 Olympic Road
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Docex 121, Randburg
Tel: 011 886 0242
Fax: (011) 886 1391
Cell: (082) 332 8072
E-mail: tsischy@absamail.co.za

Our Ref: A0226/Buthelezi
Your Ref:

Date: 26/05/2011

Dear Sir/Madam

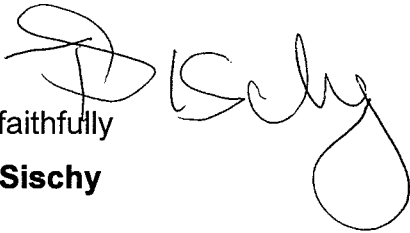
**Re: SIBUSISO BLESSING BUTHELEZI / INDEPENDENT NEWSPAPER
(PTY) LTD t/a THE STAR**

1. We refer to the above matter and confirm receipt of The Star Newspaper's response. Upon receipt of instructions from our client we will deal more fully with same.
2. We note that the response is from the Star directly and confirm that the Star's former attorneys in this matter namely Webber Wentzel Attorneys confirmed that they have not been instructed and that we may therefore deal with the Star directly.
3. We note that the Star in it's reply referred our client to a document drafted by the DA. MPL Jack Bloom circulated on the politicsweb.
4. Paragraph 5 of DA MPL Mr Bloom's statement refers to an attached reply marked **4.TR001**. Paragraph 7 of Mr Bloom's reply refers to another attached reply marked **TR081**. We are however not able to find these attachments.

5. If the Star or the Press Ombudsman has access to these annexures, kindly provide us with same as it may shed more light on the matter and may serve to resolve issues. It will be of assistance in our client's reply.

6. Kindly respond at your soonest convenience to advise if you have the attachments referred to or not.

Yours faithfully
Tracy Sischy



115

Tracy Sischy

From: "Tracy Sischy" <tsischy@absamail.co.za>
To: <johanr@ombudsman.org.za>
Cc: <khanyim@ombudsman.org.za>; <janet.smith@inl.co.za>
Sent: 02 June 2011 08:24 AM
Attach: Letter to Press Ombudsman - Buthelezi 1 Jun 11.pdf
Subject: Tracy Sischy Attorneys

Dear Sir

Receive herewith self explanatory letter for your attention.

Yours faithfully
Tracy Sischy Attorneys
44 Olympic Road
Cnr Republic Road
Blairgowrie
Randburg
Tel: 011 886 0242
Fax: 011 886 1391
Cell: 082 332 8072
E-mail: tsischy@absamail.co.za

**TRACY SISCHY
ATTORNEYS
PROKUREURS**

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Press Ombudsman
Attention: Mr Johan Retief
By e-mail: : johanr@ombudsman.org.za

CC: Khanyi Mndaweni
By e-mail: khanyim@ombudsman.org.za

CC: Independent Newspaper (Pty) Ltd
t/a The Star
Attention: Ms Janet Smith
By e-mail: janet.smith@inl.co.za

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Cell: (082) 332 8072
E-mail: tsischy@absamail.co.za

Our Ref: A0226/Buthelezi
Your Ref:

Date: 01/06/2011

Dear Sir/Madam

**Re: SIBUSISO BLESSING BUTHELEZI / INDEPENDENT NEWSPAPER
(PTY) LTD t/a THE STAR**

1. We acknowledge receipt of the Star's answering statement received on the 25 May 2011, and our client instructed us to reply thereto as follows.
2. The Star states that the article our complained about was based *inter alia* on two sets of answers provided by former MEC of Roads and Transport Mr Nkosi to Legislature which the Star failed to attach. We have advised The Star on 27 May 2011 that the two answers were not available on the link provided by the Star. To date hereof The Star has not provided same. Our client therefore requests that the MEC's two answers to Legislature therefore be excluded.
3. It is noted that the Star acknowledges that it didn't approach our client for comment. This is in breach of Section 1.1-1.2.3, 1.3,1.4, 1. 5 and 1.10 of the Press Code. For sake of convenience same is quoted herewith.

"1.1 The press shall be obliged to report **news truthfully, accurately and fairly.**

1.2 News shall be presented **in context and in a balanced manner**, **without** any intentional or **negligent depart** from the facts whether by:

1.2.1 Distortion, exaggeration or misrepresentation;

1.2.2 Material omissions; or

1.2.3 Summarisation.

1.3 Only what may reasonably be true, having regard to the sources of the news, may be presented as fact, and such facts shall be published fairly with due regard to context and importance. Where a report is not based on facts or is founded on opinions, allegation, rumour or supposition, it shall be presented in such manner as to indicate this clearly. *

1.4 Where there is reason to doubt the accuracy of a report and **it is practicable to verify the accuracy thereof, it shall be verified**. Where it has not been practicable to verify the accuracy of a report, * this shall be mentioned in such report.

1.5 **A publication should usually seek the views of the subject of serious critical reportage in advance of publication;** provided that this need not be done where the publication has reasonable grounds for believing that by doing so it would be prevented from publishing the report or where evidence might be destroyed or witnesses intimidated.

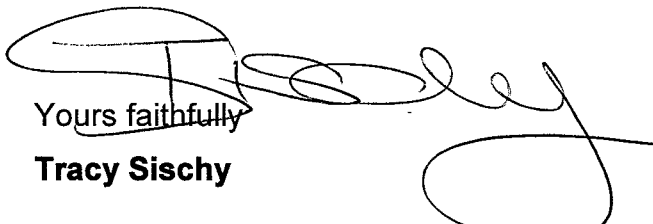
1.10 In both news and comment the press shall exercise **exceptional care and consideration in matters involving the private lives and concerns of individuals**, bearing in mind that any right to privacy may be overridden only by a legitimate public interest".

3.1 Section 1.4 as quoted above is peremptory. The journalist has to verify the accuracy of her publication.

3.2 Section 1.10 of the press code requires exceptional care and consideration where individuals such as our client is concerned.

4. In terms of Section 1.6 the test of whether a newspaper should make amends for its publication is if its information or comment is inaccurate.
5. The Star's answer is that the newspaper article is in line with their sources namely the publication by ITWeb and the Politicsweb. The question is not if they are "*sincerely wrong*" but merely if they are wrong, and Mr Buthelezi has attached documents to his founding statement showing them to be wrong.
6. The press code places the onus on a journalist to take exceptional care with individuals which they failed to do. It could have been prevented by doing a simple verification with our client. The DA published its article on politicsweb on 8 November 2010, a mere 6 months before the election. It was clearly political campaigning by the DA, and The Star shouldn't further a political party's agenda without personally verifying same, which it failed to do. The Star had both Mr Buthelezi and our firm's details and could have contacted our client to verify the details before printing same.
7. The Star doesn't reply to the majority of Mr Buthelezi's complaint. For sake of convenience we numbered each line of the Star's answering statement. Line number 1 starts with "*We have read through Mr Buthelezi's complaint*" and the newspaper's last line number 19 starts with "*reply which was distributed....*".
8. It appears as if the Star is attempting to make a concession in its lines 10 – 14. Our client still doesn't accept the attempt to a concession as it is inaccurate.
9. Our client set out the reasons for his complaint in 50 paragraphs. The Star does a 19 line reply which is incomplete.
10. In lines 17 and 18 the Star states that the other issues raised by Mr Buthelezi is irrelevant.

- 11. The Star's heading is "DA to sue after Gauteng ignores (Buthelezi's)R50 million overspend". The Star compares the service of GNS to that of third parties and states that GNS fees for the same work is " a giant rip-off".
- 12. Mr Buthelezi therefore sets out the work done by GNS for G Fleet, UTF and the Department of Roads and Transport and even attaches the contracts in each case to show the work that was done. Further that the work was in accordance with the Department of Public Service and Administration's rates. Almost none of Mr Buthelezi's allegations are answered to or it is shrugged off as "irrelevant", when it goes to the very root of the article.
- 13. The Star also doesn't deal with the fact that the majority of the work it reports on was actually to G-Fleet and UTF, separate entities to the Department of Roads and Transport who also separately appointed GNS. Further that it was not Buthelezi who initially appointed GNS. The Star however only fingers Buthelezi.
- 14. The Star did not discharge it's onus of taking exceptional care. As a result of the Star's negligence it printed a newspaper article of an individual which is untruthful, inaccurate, unfair, not in context, distorted and makes material omissions.
- 15. Mr Buthelezi therefore repeats the relief sought by him in paragraph 50 of his founding statement.



 Yours faithfully

Tracy Sischy

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Tracy Sischy

From: "Johan Retief" <johanr@ombudsman.org.za>
To: <tsischy@absamail.co.za>; <janetsmith@inl.co.za>
Cc: "Joe Thloloe" <Pressombudsman@ombudsman.org.za>; "Khanyi Mndaweni" <khanyim@ombudsman.org.za>
Sent: 22 July 2011 08:01 AM
Attach: SibusisoTHESTAR.doc
Subject: for informal hearing

Dear all

Attached is a skeleton "finding" that we are going to use as a basis for our discussions at the informal hearing documentation at my disposal.

Regards

Johan

x	Johan Retief Deputy Ombudsman Direct Tel. 011 484 3612/8 Direct Fax. 011
x	x
-	

Please visit the Press Council website www.presscouncil.org.za for the South African Press Code and our Compl

Sibusiso Buthelezi vs. The Star

Ruling by the Deputy Press Ombudsman

July xxx, 2011

This ruling is based on the written submissions of Tracy Sischy Attorneys, for Mr Sibusiso Buthelezi, and The Star newspaper, as well as on an informal hearing that was held in Johannesburg on July 27. Xxx represented...and...

Complaint

Mr Sibusiso Buthelezi, the former head of Gauteng’s Transport and Public Works Department, complains about a story in The Star, published on November 8, 2010, and headlined *DA to sue after Gauteng ignores R50 million overspend*.

Buthelezi complains that the newspaper failed to verify the contents of the story with him and the GNS Risk Advisory Services (GNS) prior to publication.

He also says that the story falsely/untruthfully/inaccurately states or implies that:

- he is the culprit who illegitimately appointed GNS to G-Fleet and UTF;
- he overspent with R50 million on GNS;
- GNS and Abalozi rendered the same service, but that the latter did it for R24 million less per year;
- GNS was “exorbitant” and a “giant rip-off”;
- a monthly budget of R1,2 million was allocated to do risk assessment for the DPTRW;
- GNS provides guarding services;
- GNS did not do a risk assessment for the Department of Public Transport, Roads and Works (DPTRW, regarding the work in Koedoespoort); and
- Pothlako Security and Cleaning, Pholile Business Solutions and Freedom Security Services rendered the “same service” as GNS.

Buthelezi also complains that the story fails to state that:

- the Auditor General did not make any adverse findings about the appointment and the costs charged by GNS; and
- he was as of 30 November 2009 no longer in the DPTRW employ, that he was suspended since 14 July 2009, and that he could therefore not authorize any payment to GNS nor play a role in determining whether that company rendered value for invoices issued.

Analysis

The story, written by Anél Lewis, says that the Gauteng Department of Roads and Transport will not take legal action against Mr Sibusiso Buthelezi for overspending on a security contract by more than R50 million. This reportedly came despite a call from Public Protector Thuli Madonsela for an investigation by the Gauteng government and the National Treasury into the R71 million contract awarded to a company with links to former communications minister Siphwe Nyanda. The story says that a settlement was reached when Buthelezi resigned, adding that the DA was going to lay a charge of financial misconduct against him at the Police's Commercial Crimes Unit.

I shall now consider the merits of the complaint:

Failed to verify

Buthelezi complains that the newspaper failed to verify the contents of the story in dispute or to seek his and GNS's views prior to publication.

The Star admits this and says that it "could apologise for this, if anything".

Culprit who illegitimately appointed GNS

Although the story does not say it explicitly, Buthelezi complains that he is made out to be the culprit who appointed GNS, adding that the story also implies that such appointment was illegitimate.

He says that both G-Fleet Management (G-Fleet) with offices in Bedfordview and Koedoespoort and the Urban Transport Fund (UTF) are trading entities of the DPTRW. He explains that both these entities had the authority to make decisions without any undue interference by the department. He says that these trading entities appointed GNS, and not him. He refers our office to an agreement that is signed by G-Fleet and GNS to prove his point.

The Star says that, although the article does not say that Buthelezi appointed GNS and awarded the controversial contract to that company, the story does not make it explicitly clear that he was the accounting officer at the time. The newspaper also admits that the intro "could be regarded as misleading" as it says that no legal action would be taken "for overspending" by more than R50 million, when it should have read "for authorizing" the spending of that amount.

Overspent R50 million on GNS

The intro reads: “The Gauteng Department of Roads and Transport will not take legal action against Sibusiso Buthelezi for overspending on a security contract by more than R50 million.”

Buthelezi complains that the story falsely blames him for R50 million that was overspent on GNS.

The newspaper...

Rendering same services for less

The sentence in dispute reads: “...the companies that replaced GNS...were doing the same work for about R24m less a year.”

Buthelezi complains that it is nonsensical for the newspaper to state that Abalozi cost R24 million per annum cheaper than GNS as it is the same company.

The Star says that this was information came from former MEC of Transport Bheki Nkosi’s written reply to questions by the Mr Jack Bloom of the DA.

GNS ‘exorbitant’, a ‘giant rip-off’

The story quotes Bloom who reportedly estimated that the department overpaid more than R50 million and called it a “giant rip-off”.

The article cites some examples of companies that replaced GNS that received less than it did. These include:

- doing the same work for about R24 million less per year;
- receiving R35 394 per month, in contrast to GNS’s R260 000; and
- earning R49 773 per month, over against the R410 000 that GNS got.

Buthelezi says it is untruthful and inaccurate to state that GNS was “exorbitant” and that the payments were a “giant rip-off”. He says that GNS rates were in accordance with the Department of Public Service and Administration’s rates for consultants published in the Government Gazette in January each year.

The newspaper says that it was merely quoting Bloom.

Monthly budget of R1.2 million allocated

The story says: “A monthly budget of R1.2m was allocated for GNS to do risk assessment” for the DPTRW.

Buthelezi denies this.

The newspaper says this information comes from Nkosi.

GNS providing guarding services

The sentence in dispute says: "GNS claimed R410 000 a month to guard the command centre."

Buthelezi complains that it is untruthful and incorrect to state that GNS provides guarding services. This implies, he argues, that GNS employs guards – which he says is not the case. He explains that it renders asset surveillance services and has a variety of specialists with experience in criminal law, finance, due diligence, forensic audits, law enforcement, military regulation, research and security.

However, further on in his complaint, Buthelezi also says: "The guards later posted by GNS..." He says they were highly trained officials who formerly worked for the NIA and military intelligence. He adds that guarding by its officials was "only a small component of the work done by GNS".

The newspaper says this information comes from Nkosi.

GNS not doing risk assessment

The story says that a monthly budget of R1.2 million was allocated for GNS to do risk assessment for the DPTRW, but adds: "No work was ever done."

Buthelezi denies that GNS did not do risk assessment for DPTRW. He says that, before the department paid GNS it received detailed invoices, timesheets and monthly reports. He adds that GNS would continuously update its threat and risk assessment.

The Star says this information comes from Nkosi.

Rendering same service as GNS

The story says that Pothlako Security and Cleaning, Pholile Business Solutions and Freedom Security Services rendered the same service as GNS as they took over the contracts.

Buthelezi denies that they "rendered the same services".

The Star says this information comes from Nkosi.

Failing to state

Buthelezi complains that the story does not state that:

- the Auditor General did not make any adverse findings about the appointment and the costs charged by GNS;
- he was as of 30 November 2009 no longer in the DPTRW employ, that he was suspended since 14 July 2009, and that he could therefore not authorize any payment to GNS nor play a role in determining whether that company rendered value for invoices issued.

The newspaper...

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Tracy Sischy

From: "Johan Retief" <johanr@ombudsman.org.za>
To: <tsischy@absamail.co.za>
Sent: 29 July 2011 07:59 AM
Attach: 5.TR020.pdf; 5.TR081.pdf; 4.TR001.pdf
Subject: FW: Sibusiso Buthelezi documents

Dear Tracy

I don't know if Janet sent you these documents. If not, here they are.

Kind regards

Johan

From: Johan Retief
Sent: 28 July 2011 09:14 AM
To: Khanyi Mndaweni
Subject: FW: Sibusiso Buthelezi documents

pp

From: Janet Smith [mailto:janet.smith@inl.co.za]
Sent: 28 July 2011 09:13 AM
To: Johan Retief
Subject: Sibusiso Buthelezi documents

NOTICES:

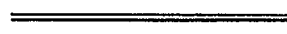
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2011/07/29

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Number: 4.1
Date: 03.08.2010

GAUTENG PROVINCIAL LEGISLATURE



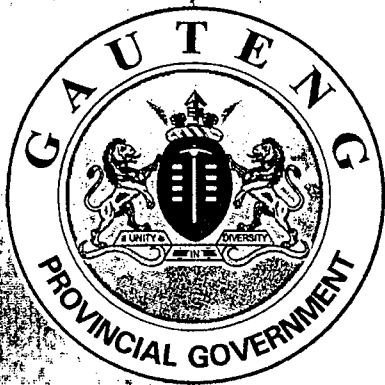
DEPARTMENT OF ROADS AND TRANSPORT



REPLY



SUBJECT: REPLY TO A QUESTION FOR ORAL REPLY
From: The MEC FOR ROADS & TRANSPORT
To: ALL MEMBERS OF THE LEGISLATURE (MPLS)
Reference: QUESTION 4.TR001



128
OFFICE OF THE MEC / IHHOVISI LIKA MEC
KANTOOR VAN DIE LUR / KANTORO YA MEC

DEPARTMENT OF ROADS AND TRANSPORT
EZEMIGWAQO NEZOKUTHUTHA
VAN PAAIE EN VERVOER
LEFAPHA LA DITSELA LE DIPALANGWA

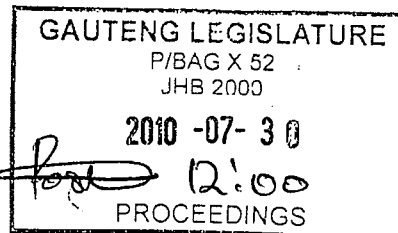
Enquiry / Navrae

Head (Office of MEC)

Ref / Verw:

TR001

The Provincial Secretary
Gauteng Provincial Legislature
Private Bag X52
Johannesburg
2000



Dear Sir

QUESTION 5. TR 001 POSED BY THE LEGISLATURE

Your request dated 19 February 2010 has reference. Further to the contract that was awarded to GNS Risk Advisory Services (New name Abalozi Security) in October 2007, will the MEC please indicate the following:

Question 4 TR 001

With regards to GNS Risk Advisory Services (Pty) Ltd, will the MEC please indicate

- (i) Whether this contract has been reviewed?
- (ii) If so, what is the assessment made in terms of legality and value for money
- (iii) Why has this contract not been cancelled?
- (iv) How much has been paid out in total on this contract to date:
- (v) Whether any disciplinary or other corrective action will be taken arising from the award of this contract without tender.

(v) Whether any disciplinary or other corrective action will be taken arising from the award of this contract without tender.

Reply

- (i) Yes it has been reviewed by the Legal Department of Roads and Transport.
- (ii) Process followed in engaging GNS was not in accordance with the constitution and the prescribed procurement processes. We can safely say no. GNS rendered services to the department however we discovered that there are companies who could do the same service at a much lower rate.
- (iii) DRT can safely say the contract has been cancelled on the 16 March 2010.
- (iv) The value of the contract in respect of the Department and its entities in general was not in all instances of services required from GNS, determined in advance and fixed for the period in which the services were rendered. The expenditure to date in R R70, 962,058.50
- (v) No, the Department has not instituted disciplinary actions or corrective action against the person who did not follow the procurement processes in appointing GNS.

Yours faithfully



**Mr. B. Nkosi MEC
Roads and Transport
Date:**

130

Number: 81
Date: 01.11.2010

GAUTENG PROVINCIAL LEGISLATURE

DEPARTMENT OF ROADS AND TRANSPORT

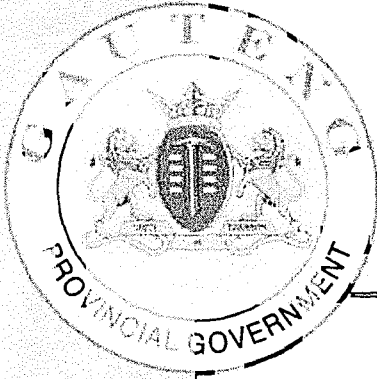
REPLY

SUBJECT: REPLY TO A QUESTION FOR WRITTEN REPLY

From: The MEC FOR PUBLIC ROADS & TRANSPORT

To: ALL MEMBERS OF THE LEGISLATURE (MPLS)

Reference: QUESTION 5.TR081



OFFICE OF THE MEC / IHHOVISI LIKA MEC
KANTOOR VAN DIE LUR / KANTORO YA MEC

131

DEPARTMENT OF ROADS AND TRANSPORT
EZEMIGWAQO NEZOKUTHUTHA
VAN PAAIE EN VERVOER
LEFAPHA LA DITSELA LE DIPALANGWA

Enquiry / Navrae : Head (Office of MEC)

Ref / Verw : 5 TR 081

The Provincial Secretary
Gauteng Provincial Legislature
Private Bag X52
Johannesburg
2000

Dear Sir/Madam

QUESTION POSED BY THE LEGISLATURE 5. TR 081

Your request dated 21 October 2010 has reference.

Question 5 TR 081

With regard to the reply to Question 5 TR 065, will the MEC please indicate:

- i. What function was performed by Abalozi Security (previously GNS Risk Advisory Service) prior to the termination of their contract as per the reply to Question 4. TR 001.
- ii. How can it be denied that Abalozi was contracted in view of the reply to Question 4 TR 001
- iii. What company or entity is now performing the function that was performed by Abalozi
- iv. How much is paid every month for performing this function
- v. How much was previously paid to Abalozi every month for performing this function
- vi. What accounts for the difference in cost
- vii. Whether steps will be taken to recover any assessed overpayment in this matter from the former accounting officer of this department Mr Sibusiso Buthelezi; and
- viii. If not, why not?

Reply

- i. GNS was appointed as the implementer, i.e. perform physical guarding within g.Fleet and UTF sites and also advisor on the security policy as approved by the Gauteng Department of Public Transport, Roads and Works in line with the Minimum Information Security Standard.(MISS)


- ii. Not applicable.
 iii. See table below for questions (iii),(iv), (v).

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Service	Company Name	Monthly Amount	Replacement company	Amount per month/project
g-Fleet Risk Assessment, Fraud Prevention and Forensic Investigation	GNS	R747 840.00	None	
g- Fleet Physical guarding (Bedfordview)	GNS	R848 160.00	Pothlako Security and cleaning Services	R184 643.00
g- Fleet Physical guarding (Koedoespoort)	GNS	R260 400	Pholile Business Solutions	R37 394.18
DPTRW Risk Assessment, Fraud Prevention and Forensic Investigation	GNS	No work was done, however the budget was for R1.2 million	MIE (vetting processes of service providers and employees)	R500 000.00 for the entire project ,i.e. for the year 2010 to 2011
UTF- Risk advisory	GNS	We paid as per invoice for work done.	None	
UTF- Physical guarding at Command Centre	GNS	R410 000.00	Freedom Fighters Security Services	R49 773.16

- vi. Quotations were requested from the service providers (guarding service) and the one with the lowest quote was appointed.
- vii The Department will not institute legal actions against Mr. Buthelezi in order to recover the money.
- viii A settlement was reached between the Department and Mr. Buthelezi when he resigned.

Yours Sincerely



Mr/B. NKOSI
 MEC

DEPARTMENT OF ROADS AND TRANSPORT
 DATE:

133

Number: 20
Date: 12.03.2010

GAUTENG PROVINCIAL LEGISLATURE



DEPARTMENT OF ROADS AND TRANSPORT



REPLY



SUBJECT: REPLY TO A QUESTION FOR WRITTEN REPLY

From: The MEC FOR PUBLIC ROADS & TRANSPORT

To: ALL MEMBERS OF THE LEGISLATURE (MPLS)

Reference: QUESTION 5.TR020



OFFICE OF THE MEC / IHHOVISI LIKA MEC
KANTOOR VAN DIE LUR / KANTORO YA MEC

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DEPARTMENT OF ROADS AND TRANSPORT
EZEMIGWAQO NEZOKUTHUTHA
VAN PAAIE EN VERVOER
LEFAPHA LA DITSELA LE DIPALANGWA

Enquiry / Navrae: Head (Office of MEC)

Ref / Verw: TR020

The Provincial Secretary
Gauteng Provincial Legislature
Private Bag X52
Johannesburg
2000

Dear Sir

RECEIVED BY PROCEEDINGS DEPARTMENT
REPLY TO QUESTION NO.
DATE: REPLY NO:
TIME:
SIGNATURE:

QUESTION 5. TR 020 POSED BY THE LEGISLATURE

Your request dated 19 February 2010 has reference.

With reference to question 5. TR 020 tabled by Mr. J.B. Bloom of the Democratic Party, I wish to provide the following:

Question 5. TR 020

With regards to GNS Risk Advisory Services (Pty) Ltd, will the MEC please indicate:


- (i) What contract has been awarded to this company in the past five years
- (ii) What is the value of this contract
- (iii) What tender process was followed in awarding this contract
- (iv) When were the advertisements placed in the newspapers for this contract
- (v) When was this contract awarded
- (vi) What other companies were short-listed for this tender
- (vii) What were the prices of these other companies
- (viii) Why was GNS selected
- (ix) Whether there were any irregularities in the award of this tender
- (x) Whether any investigation will be made into the award of this contract

Reply

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- (i) A contract relating to services of risk management, advisory services and security services were awarded to GNS within the Department of Public Transport, Roads and Works and its entities
- (ii) The value of the contract in respect of the Department and its entities in general was not in all instances of services required from GNS, determined in advance and fixed for the period in which the services were rendered. The expenditure to date in respect of these contracts are: R67 870 619.47. However the value of the contract entered into by Impophoma Infrastructure Support entity was established at R12 052 990.00 inclusive of VAT, although no payments have been made to date at Impophoma.
- (iii) No, a tender process was not followed in awarding the contract. The Accounting Officer appointed GNS Risk Advisory Service through a deviation as provided for in terms of Treasury Regulations 16A6.4.
- (iv) Not applicable as there was not advertisements placed
- (v) On 25 October 2007
- (vi) As there was no tender process followed, no other companies were short listed
- (vii) As there was no tender process followed, no other companies were short listed
- (viii) The contract was awarded based on the security needs identified by the HOD and the experience of the firm at that time in respect of implementation of Minimum Information Security Standards and risk advisory experience relating to physical and information security.
- (ix) The irregularity in the award of this tender relates to the fact that no procurement procedures other than the deviation route were followed in terms of advertisements, evaluation and approval of service provider.
- (x) The contracts are currently undergoing a thorough review process and progress reports will be given to the Legislature regarding the outcome of the review.

Yours faithfully


Mr. B. Nkosi MEC
Roads and Transport
Date: 11/03/2010

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Tracy Sischy

From: "Johan Retief" <johanr@ombudsman.org.za>
To: <tsischy@absamail.co.za>; <janet.smith@inl.co.za>
Cc: "Joe Thloloe" <Pressombudsman@ombudsman.org.za>; <khanyim@ombudman.org.za>
Sent: 29 July 2011 10:06 AM
Subject: more questions

Dear Tracy and Janet

As I am digesting the information gained at our informal hearing, the following questions have cropped up:

1. Do the expenditures mentioned in the story necessarily refer to Buthelezi's tenure, or could they have
2. In the Risk Assessment document (Annex C) it is stated under point 5 that GNS "conducted TRA". Whi
3. I'm baffled that Mr Buthelezi denies that he has appointed GNS. I have a copy of an official document, stating that "I hereby appoint GNS"? He also was MEC at the time of the appointment?

I am now going to take a look the documentation that Janet sent me after the hearing. Hopefully there will b

Please respond to these questions at your earliest convenience.

As agreed, you have time until Thursday to comment on whatever you want to. On Friday I am going to clear

Kind regards

Johan

Zama - pp



Johan Retief | Deputy Ombudsman | **Direct Tel.** 011 484 3612/8 **Direct Fax.** 011

Please visit the Press Council website www.presscouncil.org.za for the South African Press Code and our Compl

2011/09/27

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Dear Tracy and Janet

As I am digesting the information gained at our informal hearing, the following questions have cropped up:

1. Do the expenditures mentioned in the story necessarily refer to Buthelezi's tenure, or could they have been incurred after his suspension?
2. In the Risk Assessment document (Annex C) it is stated under point 5 that GNS "conducted TRA". What does "TRA" stand for?
3. I'm baffled that Mr Buthelezi denies that he has appointed GNS. I have a copy of an official document, dated 25/10/2007 and signed by him, stating that "I hereby appoint GNS"? He also was MEC at the time of the appointment?

I am now going to take a look the documentation that Janet sent me after the hearing. Hopefully there will be no more questions.

Please respond to these questions at your earliest convenience.

As agreed, you have time until Thursday to comment on whatever you want to. On Friday I am going to clear my desk in order to finalise this matter.

Kind regards

Johan

Zama - pp

**TRACY SISCHY
ATTORNEYS
PROKUREURS**

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Press Ombudsman
Attention: Johan Retief
By e-mail: johanr@ombudsman.org.za

CC: Khanyi Mndaweni
By e-mail khanyim@ombudsman.org.za

44 Olympic Road
Blairgowrie
Randburg
2194
Docex 121, Randburg
Tel: 011 886 0242
Fax: (011) 886 1391
Cell: (082) 332 8072
E-mail: tsischy@absamail.co.za

Our Ref: A0226/Buthelezi
Your Ref:

Date: 04/08/2011

Dear Sir/Madam

Re: SIBUSISO BLESSING BUTHELEZI / INDEPENDENT NEWSPAPER
(PTY) LTD t/a THE STAR
FINAL SUBMISSION

1. There was an informal hearing before the Press Ombudsman chaired by Mr Retief on Wednesday 27 July 2011.
2. At the conclusion of the hearing Mr Retief advised the parties that they may make their final submission by Thursday 4 August 2011, further for Mr Buthelezi to make a proposal as to the correction the Star will print.
3. During the proceedings, the Star referred to answers MEC Nkosi provided to legislature. Mr Buthelezi advised that he was prejudiced as the Star didn't attach same to their answering statement of 24 May 2011. The Star admitted during the hearing that they further received Mr Buthelezi's request for MEC Nkosi's answers to legislature on 26 May 2011. It transpired that despite such request neither the Press Ombudsman nor Buthelezi received same. The Star also didn't bring it along to the hearing. Mr Buthelezi could therefore not refer to same in his reply. Neither could it be considered in the hearing.

4. In view of the fact that the Star only provided same via the Press Ombudsman on 29 July 2011, Mr Buthelezi will in this final submission be in the position for the first time to consider same. 1389

Background to the newspaper article

5. It appears as if the DA on 19 February 2010 posed two sets of questions to the Gauteng Provincial Legislature "legislature" marked **4.TR001** and **5.TR020** respectively, which MEC Nkosi replied to shortly thereafter.
6. The DA on 21 October 2010 posed it's final questions to Legislature marked **5.TR081** which MEC Nkosi replied to on or about 1 November 2010.
7. The DA's Mr Jack Bloom then on politics web did an article dated 8 November 2010 where it commented on the answers provided to Legislature, and the concerns the DA had.
8. It appeared therefore that this is the first time that the Star looked at the MEC's replies to Legislature combined with the publication by Mr Bloom, which then resulted in the article 8 November 2010 *"DA to sue after Gauteng ignores R50 million overspend"*.
9. Therefore the only source document the Star had was the replies by MEC Nkosi. Mr Bloom's article is only comments thereon.
10. We now attend to the skeleton provided by Mr Retief.

Page 2: Buthelezi's allegation: The Star failed to verify

11. The Star admits that it failed to verify the contents of the story in the dispute with Mr Buthelezi or GNS and the Star tendered it's apology.
12. Mr Buthelezi handed up a complaint by the Star published in the Mail and Guardian (M&G) dated for the period of 22 – 28 July 2011.

13. In same the Star was aggrieved by the M&G for printing critical reporting on the Star without providing the Star with a "*right to reply*" before publishing it's article. 140
14. The Star states as follows:
- 14.1 *"We expect the M&G to distinguish for the benefit of it's readers, between it's reporters opinion and a hard news story. It is a basic principle of journalism".*
- 14.2 *"There is nothing wrong with McKune being given the space to comment, but you should have informed your readers accordingly.*
- 14.3 *" A subject of so-called critical reporting deserves the right for reply"*
- 14.4 *"It would have taken McKune a telephone call and a notebook to get answers to his questions and criticise us from an informed position.*
15. The Star states that it quoted MEC Nkosi in column 2 of it's article, which states *"The Department will not institute legal action against Mr Buthelezi in order to recover the money"*.
16. The Star in column 3 states that it is Mr Bloom's comment that the Department overpaid more than 50 million Rand.
17. The Star states in column 4 that MEC Nkosi revealed that Abalozi (GNS) was paid exorbitant monthly fees for work that could have been done at a fraction of the cost. The Star must show Mr Buthelezi where MEC Nkosi states that, as it is not in the MEC replies. If the Star quotes third parties it must do so properly.
18. The remainder of the article, alternatively the majority of the remainder thereof appears to be "hard news" being the result of the Star's investigative journalism, which the Star confesses is not the case.
19. Mr Buthelezi accepts the Star's tender to make an apology in writing.

Allegation: Buthelezi is the culprit who appointed GNS to G-Fleet and UTF

20. Both G-Fleet and UTF are trading entities who has the necessary decision making authority without any undue interference by the Department in their day to day operation.
21. G-Fleet and UTF respectively appointed GNS to render service to their respective entities. G-Fleet was the 1st to appoint GNS. Kindly refer to **Annexure B**. This is the agreement between G-Fleet and GNS. It is signed by the CEO of G-Fleet namely Sam Jafta and not Mr Buthelezi.
22. In each of the replies of the MEC it distinguishes between the Department and it's trading entities. Inserted below is a table provided and quoted from MEC Nkosi's reply on page 2 of **5.TR081**. (The numbering is writer's own).

		a	b	c	d
	Service	Company Name	Monthly amount	Replacement company	Amount per month/ project
22.1.	g-Fleet Risk Assessment, Fraud Prevention and Forensic Investigation	GNS	R747 840.00	None	
22.2.	g-Fleet Physical guarding (Bedfordview)	GNS	R848 160.00	Pothlako Security and cleaning Services	R184 643.00
22.3.	g-Fleet Physical guarding (Koedoespoort)	GNS	R260 400	Pholile Business Solutions	R37 394.10
22.4.	DPTRW Risk Assessment, Fraud Prevention and Forensic investigation	GNS	No work was done, however the budget was for R1.2 million	MIE (vetting processes of service providers and employees)	R500 000.00 for the entire project, i.e. for the year 2010 to 2011
22.5.	UTF-Risk advisory	GNS	We paid per invoice for work done	None	
22.6.	UTF – Physical guarding at Command Centre	GNS	R410 000.00	Freedom Fighters Security Services	R49 773.16

23. It is the Star who fails to make the same distinction. The Star lumps GNS respective charges to G-Fleet, UTF and the Department together and then blames Buthelezi, a former employee of the Department of Roads and Transport for all of it which is unreasonable. Kindly have regard to the following examples.

- 23.1 The heading of the article and the 1st paragraph of column 1 and the 2nd paragraph of column 3 of the Star newspaper article refers to a joint overspend of 50 million Rand.
- 23.2 In paragraph 3 of column 3 it states that GNS is 24 million per year more expensive than Abalozi and it doesn't attribute the expenditure to either the Department, G-Fleet or UTF. This allegation by the Star is not confirmed in any of the MEC replies. Mr Bloom also didn't state same in his article. (This appears to be an editing oversight as GNS and Abalozi is the same company)
- 23.3 In paragraph 1 of column 5 the Star doesn't distinguish that GNS did work for G-Fleet (in Koedoespoort). Kindly refer to item 22.3 of the above table. The MEC makes it clear that the work was done for G-Fleet.
- 23.4 In paragraph 3 of column 5 of the Star advises that GNS rendered services to guard the Command Centre. Kindly refer to paragraph 22.6 of the above table. The MEC makes it clear that GNS did the work for UTF.
- 23.5 In paragraph 2 of column 4 the Star advises that GNS did work guarding "the government's fleet in Bedfordview". It doesn't clearly state that GNS was appointed by G-Fleet and did work for G-Fleet, (which is different from the Department). The MEC however makes it clear in paragraph 22.2 of the table above that the work was done for G-Fleet's office in Bedfordview.

Allegation: The Gauteng Department of Roads and Transport will not take legal action against Sibusiso Buthelezi for overspending on a security contract by more than R50 million

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24. The distinction between the 3 entities is important as Mr Buthelezi can only be held liable for occurrences in the Department during his tenure. See paragraphs 20 –23.5 above.
25. The only allegation in the Star about the Department is that GNS had to do risk assessment for the Department for a sum of 1,2 million “*which it allegedly failed to do*”. This is a far cry from the 50 million as alleged in the article.
26. MEC Nkosi nowhere says that there was an overspend of R50 million and that Buthelezi is liable for such overspend.

Allegation: The Star made Buthelezi out to be the Culprit who “illegitimately” appointed GNS to the Department of Roads and Transport

27. Mr Buthelezi as Head of Department on 25 October 2007 appointed GNS to do work for the Department. Kindly refer to **Annexure F**. The appointment was in terms of a deviation. This is a legal procurement process which is allowed in terms of treasury regulations. Annexure F shows the compliance with the treasury regulation. Same is confirmed in reply number (iii) in **5.TR020** which states “*The accounting officer appointed GNS Risk Advisory Service through a deviation as provided for in terms of Treas Reg 16A 6.4*”.
28. The Star failed to correctly reflect it's source document **5.TR020** which it alleges it based the article on, causing confusion as to whether the appointment is legitimate or not.
29. If the Star believed that it was quoting a source, it should have said so.
30. The Star therefore raises the misconception that the Department of Roads and Transport, headed at the time by Buthelezi solely appointed GNS to the

Department, G-Fleet and UTF, and that Buthelezi can be blamed for a 50⁷ million overspend. 144

31. Kindly refer to the MEC's table captured in paragraph 22. It clearly states in paragraphs 22.1, 22.2, 22.3, 22.5 and 22.6 that GNS did the bulk of the work for G-Fleet with offices in Bedfordview and Koedoespoort and for UTF (Urban Transport Fund) at the command centre.
32. In any event the Auditor General did not make any adverse comment about the appointment of GNS nor it's fees.
33. The Star responds that they are willing to rectify their article to state that:

"33.1 *Buthelezi was the accounting officer for the Department, G-Fleet and GNS.*

33.2 *Further that Buthelezi in his capacity as accounting officer authorised the overspend of 50 million Rand.*"
34. From what is stated herein and in Buthelezi's other papers it is clear that both allegations are incorrect and cannot be accepted.

Allegation: The companies that replaced GNS were doing the same work for about 24 million less a year.

35. Kindly refer to the Gauteng Legislature questions marked **5.TR081**.
36. Question (i) thereof states and I quote "*what function was performed by Abalozi security (previously GNS Risk Advisory Services....*"
37. The DA in their questions and the MEC throughout it's replies clearly shows that GNS and Abalozi is the same company. If the Star quoted the MEC and Mr Bloom correctly namely that GNS and Abalozi was the same company it would not make the nonsensical statement that the one is cheaper then the other. Further if it believed that it was quoting the MEC replies or repeating Bloom's comments it should have said so specifically.

Allegation: GNS exorbitant and Giant rip-off

38. The Star from paragraph 2 in column 4 to the end of the article lists examples where they believe GNS's fees were a "giant rip-off". At no point does the Star state that it is quoting MEC Nkosi's replies or Bloom's comment save as stated in paragraphs 15 – 17 above.
39. It is noted that the amounts are obtained from **5.TR081** copied in paragraph 22 above.
40. The Star however fails to quote **5.TR081** correctly as it doesn't distinguish that GNS rendered services to the Department, G-Fleet and GNS separately as aforesaid.
41. Mr Mofokeng from GNS attended the hearing as a witness and explained that GNS provides integrated security services and assets surveillance similar to the work it has done for the Department, G-Fleet and UTF and that it doesn't just provide "*guarding*" services, further that their guards are highly trained officers that formerly worked for the NIA ,military intelligence and the like.
42. Mr Buthelezi lead evidence that the Department has internal checks and balances and that it will not authorise payment if an appointment of a contractor is irregular, if the invoice charges are not as regulated in the contract and it has not checked if the work was done.
43. **Annexure B** to Mr Buthelezi's founding statement is a copy of the contract between G-Fleet and GNS with the heading "*Provision of an integrated security and risk management system including strategic support*".
44. Kindly refer to paragraphs 21 and 22 of Mr Buthelezi's complaint dated 11 May 2011. **Annexure B** has 2 legs to it. The one leg is the once off risk assessment comprehensive security strategy. It can be gleaned from **Annexure B** that GNS first put in place a proper security infrastructure for G-Fleet which entailed *inter alia* cameras, alarms, turn style, devices for

main gate access control, electronic fencing and the like. The MEC refers thereto in paragraph 22.1 in the above table.

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45. The second leg of the contract provides that certain ongoing integrated security services (kindly refer to pages 17 and 18 of **Annexure B**) would be provided for a period of 4 years which includes:
- 45.1 Ongoing vulnerability audit, advisory, training and implementation,
 - 45.2 Ongoing investigative unit,
 - 45.3 Ongoing monitoring and reaction unit
 - 45.4 Ongoing information and management training.
46. As per page 26 of the **Annexure B**, GNS has to provide monthly reports to G-Fleet on the above. G-Fleet is therefore fully aware of the services rendered by GNS.
47. The MEC refers to the continuous processes in 44.1 to 44.3 above in paragraphs 22.2 and 22.3 of the table above. It is unfortunate that he for the sake of it brevity summarises these services as "*guarding*". The only possible "*guards*" referred to in annexure B are the reaction agents referred to on page 18 of annexure B. It is therefore a very small part of the services rendered by GNS. Should you peruse page 18 it is clear that the personnel provided by GNS also include investigators, monitors, data analysts, experts and a variety of their senior personnel such as project directors and managers.
48. The MEC confirm in his reply marked (ii) to question **5.TR020** that the amounts charged by GNS was and we quote "*determined in advance and fixed for the period in which the services were rendered*". In other words each of entities entered into a contract for specific services and made payment in terms of such contract. This is also confirmed in paragraph 22 above.
49. In other words GNS fees were not excessive. The charges was as per the contracts GNS entered with the Department, G-Fleet and UTF respectively . As per Mr Buthelezi's evidence the charges were in terms of the Department of Public service and administration's gazetted rates.

50. It appears from the MEC replies in **5.TR081** that G-Fleet and UTF decided to substitute GNS comprehensive integrated security services for companies that would render guarding services only. Because it would provide guarding services only, and less skilled guards, the new companies invoices would be less. G-Fleet and UTF then decided to terminate the contracts with GNS and to appoint the cheapest guarding service providers on it's roster only. This would explain the reduced price. It is further noted from paragraph (vi) of 5.TR081 as aforesaid that Pothlako, Pholile, Freedom Fighters and the like were also not appointed through a tender process. That in itself doesn't make it illegitimate. It is a legitimate procurement practice to appoint service providers from a roster of service providers.
51. The work that GNS did for G-Fleet is set out more fully in paragraphs 10 – 25 of Buthelezi's letter of 11 May 2011.
52. The work that GNS had to do for UTF is as per **Annexure D**, and as set out more fully in paragraphs 10 – 16 and 35 – 37 of Mr Buthelezi's letter of 11 May 2011.
53. In terms of **Annexure D** GNS would also provide UTF with a similar once off risk assessment comprehensive security strategy. The MEC refers thereto in paragraph 22.5 above. GNS would also help UTF to become compliant with certain legislation such as the MISS Act, National Archives Act, National Key Points Act and other relevant legislation. This is a highly specialised service and only companies accredited with the National Intelligence Agency can offer same, which GNS was. The 2nd leg of the above contract would be ongoing integrated security services, which the MEC refers to in paragraph 22.6 above.
54. It was therefore incorrect for the Star to state that GNS delivered the same service as the aforementioned contractors.

Allegation: A monthly budget of 1,2 million was allocated to do risk assessment for the DPTRW.

Allegation: A monthly budget of 1,2 million was allocated to do risk assessment for the DPTRW.

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55. It is clear from the MEC's table in paragraph 22.1 and 22.4 above that not all of the services rendered were monthly services, and that paragraphs 22.1 and 22.4 was a once off fee.
56. We quote from paragraph 22.4b of the table above which states that "*the budget was 1,2 million*". Accordingly the Risk Assessment for the Department was a once off fee of 1,2 million.
57. The MEC's advice that it wasn't done is wrong, Mr Buthelezi attached **annexures C1** and **C2** as proof that the work was done. Also see paragraphs 10 – 16, 26 – 34 of Buthelezi's letter of 11 May 2010. **Annexure C1** is the contract between G-Fleet and GNS. **Annexure C2** is the actual risk assessment security strategy. **Annexure C2** is therefore proof that work was completed.
58. It must be remembered that Mr Buthelezi worked in the day to day operations during his tenure in the Department. He therefore has more personal knowledge of the occurrences in the Department. The MEC never verified it's version with Mr Buthelezi. If he had done so Mr Buthelezi would have provided him with proof that the work was done. We attach hereto as **Annexure Z** the settlement agreement signed between the Department represented by MEC Nkosi and Mr Buthelezi. Kindly refer to paragraph 11.1 thereof "*Neither party shall at anytime make any adverse, untrue or misleading statement about the other*" MEC Nkosi therefore had a contractual duty to verify his replies with Mr Buthelezi as correct before circulating same which he failed to do.

GNS provides guarding services

59. The Star advises in paragraph 2 of column 4 of it's article that GNS provided guarding services to Government's fleet in Bedfordview, and that Pothlako rendered the same service at a fraction of the price.

60. The Star then in the last paragraph of column states that GNS did guarding work in Koedoespoort. (It fails to state it was for G-Fleet). Further that Pholile rendered the same service at a fraction of the price. 149
61. Kindly refer to **annexure B**. G-Fleet engaged GNS to do a variety of work for a period of 4 years as per paragraphs 43 to 51 above. It wasn't limited to guarding. MEC Nkosi states that GNS's work was "*determined (contractually) in advance and fixed for the period in which the services were rendered*".
62. The fees charged by Pothlako and Pholile was purely for guarding services and it was the lowest quote in comparison with other service providers G-Fleet had on it's roster.
63. The Star in the last paragraph in the article refers to guarding service GNS did at the command centre and that Freedom Fighters Security Services rendered the same guarding service at a fraction of the price. (It fails to state that the command centre refers to a separate trading entity namely UTF).
64. Again the fees charged by Freedom Fighters was for guarding services only, and from the suppliers UTF had on it's roster, Freedom Fighters quote was the lowest.
65. It is clear that the UTF and G-Fleet terminated GNS services as it believed that a purely guarding service work would be sufficient and cheaper than the comprehensive integrated security services that GNS provided.
66. In amplification hereof kindly see paragraphs 10 – 25 and 35 – 37 of Mr Buthelezi's letter of 15 May 2011.
67. Buthelezi alleges that the Star failed to state that the Auditor General did not make any adverse findings around the appointment and the costs charges by GNS to the Department, UTF and G-Fleet respectively, and that same should be bought to the Star's readers in a future rectification article.

Mr Retief's Question:

68. **Buthelezi as of 14 July 2009 no longer rendered services to the Department of Roads and Transport. How does this effect whether Mr Buthelezi as Head of department could authorise payment to GNS between July 2009 and March 2010, and further whether Mr Buthelezi could determine whether GNS rendered value for service in the above period.**

68.1 This is not applicable. GNS rendered a once off risk assessment to the Department which according to MEC Nkosi costed 1,2 million Rand. According to **Annexures C1** and **C2** GNS fulfilled their mandate to the Department.

With regard to G-Fleet

68.2 This does not effect Mr Buthelezi as G-Fleet has it's own accounting officer. According to annexure B the CEO was Sam Jafta who would have to account for same.

With regard to UTF

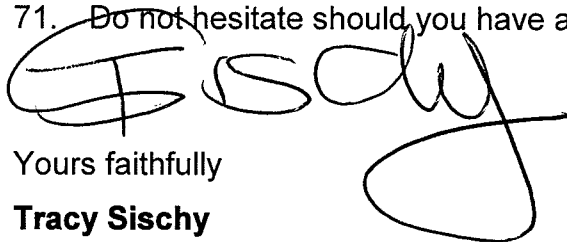
69. This does not effect Mr Buthelezi as UTF has it's own accounting officer. The then chief operations officer for UTF was Loyiso Marasela.

70. We attach hereto as **Annexure X** the proposal by Mr Buthelezi as to the correction the Star should print for the Press Ombudsman's kind attention.

71. Do not hesitate should you have any further queries.

Yours faithfully

Tracy Sischy



Comment & Analysis

Mail & Guardian

LETTERS TO THE EDITOR

We expect the *Mail & Guardian* to distinguish, for the benefit of its readers, between its reporter's opinion and a hard-news story. It is a basic principle of journalism.

Craig McKune's report, "The Madonsela mix-up: No closer to the truth" (July 15), makes serious ethical accusations against the titles of Independent Newspapers, without any attribution. There is nothing wrong with McKune being given the space to "comment" but you should have informed your readers accordingly.

Second, a subject of so-called critical reporting deserves the right of reply. We have publicly provided our view and comments to reporters and analysts regarding the Thull Madonsela saga. We would have expected McKune to call us for our views or for clarity. Had he done the basic journalism, he would have realised our story on the public protector was not simply based on one South African Police Service investigation note.

We expect to be criticised by our peers and the public but such criticism should be fair. McKune asks pertinent questions: Was there ever a probe of Madonsela? Who was behind it? Was Independent Newspapers manipulated? By whom and why? It would have taken McKune a telephone call and a notebook to get answers to his questions and criticise us from an informed position.

For the record, we stand by our story and believe it was in the public interest. We never treated Madonsela as a criminal suspect but as a subject of a bigger plot. Our report probably prevented Madonsela's arrest, which would have turned the matter into a bigger scandal. — *Moegsien Williams, editor, The Star and Saturday Star; editorial director, Independent Newspapers SA*

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Number: 20
Date: 12.03.2010

GAUTENG PROVINCIAL LEGISLATURE



DEPARTMENT OF ROADS AND TRANSPORT

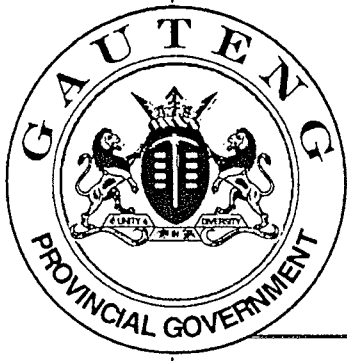


REPLY



SUBJECT: REPLY TO A QUESTION FOR WRITTEN REPLY
From: The MEC FOR PUBLIC ROADS & TRANSPORT
To: ALL MEMBERS OF THE LEGISLATURE (MPLS)
Reference: QUESTION 5.TR020

153



**OFFICE OF THE MEC / IHHOVISI LIKA MEC
KANTOOR VAN DIE LUR / KANTORO YA MEC**

**DEPARTMENT OF ROADS AND TRANSPORT
EZEMIGWAQO NEZOKUTHUTHA
VAN PAAIE EN VERVOER
LEFAPHA LA DITSELA LE DIPALANGWA**

Enquiry / Navrae: Head (Office of MEC)

Ref / Verw: TR020

The Provincial Secretary
Gauteng Provincial Legislature
Private Bag X52
Johannesburg
2000

Dear Sir

RECEIVED BY PROCEEDINGS DEPARTMENT
 REPLY TO QUESTION NO.
 DATE: REPLY NO:
 TIME:
 SIGNATURE:

QUESTION 5. TR 020 POSED BY THE LEGISLATURE

Your request dated 19 February 2010 has reference.

With reference to question 5. TR 020 tabled by Mr. J.B. Bloom of the Democratic Party, I wish to provide the following:

Question 5. TR 020

With regards to GNS Risk Advisory Services (Pty) Ltd, will the MEC please indicate:

- (i) What contract has been awarded to this company in the past five years
- (ii) What is the value of this contract
- (iii) What tender process was followed in awarding this contract
- (iv) When were the advertisements placed in the newspapers for this contract
- (v) When was this contract awarded
- (vi) What other companies were short-listed for this tender
- (vii) What were the prices of these other companies
- (viii) Why was GNS selected
- (ix) Whether there were any irregularities in the award of this tender
- (x) Whether any investigation will be made into the award of this contract

Reply

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(i) A contract relating to services of risk management, advisory services and security services were awarded to GNS within the Department of Public Transport, Roads and Works and its entities

(ii) The value of the contract in respect of the Department and its entities in general was not in all instances of services required from GNS, determined in advance and fixed for the period in which the services were rendered. The expenditure to date in respect of these contracts are: R67 870 619.47. However the value of the contract entered into by Impophoma Infrastructure Support entity was established at R12 052 990.00 inclusive of VAT, although no payments have been made to date at Impophoma.

(iii) No, a tender process was not followed in awarding the contract. The Accounting Officer appointed GNS Risk Advisory Service through a deviation as provided for in terms of Treasury Regulations 16A6.4.

(iv) Not applicable as there was not advertisements placed

(v) On 25 October 2007

(vi) As there was no tender process followed, no other companies were short listed


(vii) As there was no tender process followed, no other companies were short listed

(viii) The contract was awarded based on the security needs identified by the HOD and the experience of the firm at that time in respect of implementation of Minimum Information Security Standards and risk advisory experience relating to physical and information security.

(ix) The irregularity in the award of this tender relates to the fact that no procurement procedures other than the deviation route were followed in terms of advertisements, evaluation and approval of service provider.

(x) The contracts are currently undergoing a thorough review process and progress reports will be given to the Legislature regarding the outcome of the review.

Yours faithfully


Mr. B. Nkosi MEC
Roads and Transport
Date: 11/03/2010

Number: 81
Date: 01.11.2010

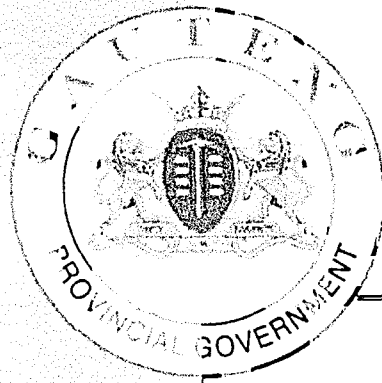
GAUTENG PROVINCIAL LEGISLATURE

DEPARTMENT OF ROADS AND TRANSPORT

REPLY

SUBJECT: REPLY TO A QUESTION FOR WRITTEN REPLY
From: The MEC FOR PUBLIC ROADS & TRANSPORT
To: ALL MEMBERS OF THE LEGISLATURE (MPLS)
Reference: QUESTION 5.TR081

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**OFFICE OF THE MEC / IHHOVISI LIKA MEC
KANTOOR VAN DIE LUR / KANTORO YA MEC**

**DEPARTMENT OF ROADS AND TRANSPORT
EZEMIGWAQO NEZOKUTHUTHA
VAN PAAIE EN VERVOER
LEFAPHA LA DITSELA LE DIPALANGWA**

Enquiry / Navrae : Head (Office of MEC)
Ref / Verw : 5 TR 081

**The Provincial Secretary
Gauteng Provincial Legislature
Private Bag X52
Johannesburg
2000**

Dear Sir/Madam

QUESTION POSED BY THE LEGISLATURE 5. TR 081

Your request dated 21 October 2010 has reference.

Question 5 TR 081

With regard to the reply to Question 5 TR 065, will the MEC please indicate:

- i. What function was performed by Abalozi Security (previously GNS Risk Advisory Service) prior to the termination of their contract as per the reply to Question 4. TR 001.
- ii. How can it be denied that Abalozi was contracted in view of the reply to Question 4 TR 001
- iii. What company or entity is now performing the function that was performed by Abalozi
- iv. How much is paid every month for performing this function
- v. How much was previously paid to Abalozi every month for performing this function
- vi. What accounts for the difference in cost
- vii. Whether steps will be taken to recover any assessed overpayment in this matter from the former accounting officer of this department Mr Sibusiso Buthelezi; and
- viii. If not, why not?

Reply

- i. GNS was appointed as the implementer, i.e. perform physical guarding within g.Fleet and UTF sites and also advisor on the security policy as approved by the Gauteng Department of Public Transport, Roads and Works in line with the Minimum Information Security Standard.(MISS)

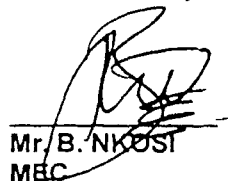
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- ii. Not applicable.
- iii. See table below for questions (iii),(iv), (v).

Service	Company Name	Monthly Amount	Replacement company	Amount per month/project
g-Fleet Risk Assessment, Fraud Prevention and Forensic Investigation	GNS	R747 840.00	None	
g- Fleet Physical guarding (Bedfordview)	GNS	R848 160.00	Pothlako Security and cleaning Services	R184 643.00
g- Fleet Physical guarding (Koedoespoort)	GNS	R260 400	Pholile Business Solutions	R37 394.18
DPTRW Risk Assessment, Fraud Prevention and Forensic Investigation	GNS	No work was done, however the budget was for R1.2 million	MIE (vetting processes of service providers and employees)	R500 000.00 for the entire project ,i.e. for the year 2010 to 2011
UTF- Risk advisory	GNS	We paid as per invoice for work done.	None	
UTF- Physical guarding at Command Centre	GNS	R410 000.00	Freedom Fighters Security Services	R49 773.16

- vi. Quotations were requested from the service providers (guarding service) and the one with the lowest quote was appointed.
- vii The Department will not institute legal actions against Mr. Buthelezi in order to recover the money.
- viii A settlement was reached between the Department and Mr. Buthelezi when he resigned.

Yours Sincerely



Mr. B. NKOZI
MEC

DEPARTMENT OF ROADS AND TRANSPORT
DATE:

Proposal by Mr Buthelezi as to the correction The Star should print.

1. On 8 November 2010 the Star published an article "DA sue after Gauteng ignores R50million overspend".
2. It stated that Mr Buthelezi in his capacity as HOD of the Department of Roads and Transport (the Department) appointed GNS risk Advisory Services (GNS) which later changed its name to Abalozi to do work for the Department.
3. Further that GNS charged the Department a monthly budget of 1,2 million per month to do risk assessment for the Department and that no work was ever done.
4. Mr Buthelezi provided proof to the Star that GNS did in fact complete the risk assessment and that the contract was for a once off fee and not a monthly amount of 1,2 million as alleged.
5. The article did not correctly reflect that GNS did most of the work for G-Fleet and UTF which are trading entities separate to the Department and that they have the authority to make their own decisions and that it was G-Fleet and UTF which appointed GNS to render service for them, and who further had to process invoices issued by GNS.
6. Further that it was in fact G-Fleet represented by its Chief Executive Officer that appointed GNS first. Buthelezi can therefore not be held liable for the appointment and services rendered by GNS to G-Fleet and UTF or for the alleged "R50 million overspend".
7. It should also be clarified that should one have regard to MEC Nkosi's replies to legislature that the Department appointed GNS in terms of a legal procurement process, which is referred to as a deviation allowed in terms of treasury regulations.

8. It has further been brought to the Star's attention that the said article erroneously stated that Abalozi was 24 million per annum cheaper than GNS when it was in fact the same company. 159
9. G-Fleet provides vehicles to all Gauteng state organs and several state organs outside Gauteng. G-Fleet appointed GNS as theft and fraud at G-Fleet was rampant, and specifically after a robbery where 3 Toyota Quantums each worth about R250 000,00 was stolen.
10. The Star has received a copy of the contract between GNS and G-Fleet. In terms thereof G-Fleet appointed GNS for a period of 4 years. First of all GNS had to put in place a proper security infrastructure for G-Fleet which entailed *inter alia* cameras, alarms, turn styles, devices for main gate access control, electric fencing and the like. Thereafter and for a period of 4 years GNS would provide certain ongoing integrated security services which includes:
- 10.1 Ongoing vulnerability audit, advisory, training and implementation,
 - 10.2 Ongoing investigative unit,
 - 10.3 Ongoing monitoring and reaction unit,
 - 10.4 Ongoing information management training and the like.
11. That the consultants used would include investigators, monitors, reaction agents, various experts, with various senior personnel such as directors and managers (and not just minimum wage guards as alleged), all who's rates would be in terms of the Department of Public Services and Administrations rates.
12. According to MEC Nkosi's replies to legislature GNS charges to G-Fleet was and we quote "*determined in advance and fixed for the period in which the services were rendered*". GNS fees were in terms of it's contract with G-Fleet and therefore not a giant rip off.

13. According to GNS its guards are highly trained officials who inter alia formerly worked for the NIA, military intelligence and the like, who works with specialists in criminal law, finance, due diligence, forensic audits, law enforcement, military regulation research and security.
14. G-Fleet during or about March 2010 decided to substitute GNS with a service provider that would not provide an integrated security and risk management system but just a guarding service and then appointed Pothlako Security and Cleaning services and Pholile Business Solutions which was the service providers on its roster with the lowest quote. One can therefore not state that a company has to be appointed by tender to be legitimate as implied in the previous article.
15. The Star was provided with a contract between GNS and UTF. In terms thereof GNS would also provide UTF with a similar ongoing integrated security and risk management system. It is therefore also not correct to state that UTF only provided guarding services to UTF. GNS would also help UTF to become compliant with certain legislation such as the MISS Act, National Archives Act, National Key Points Act and other relevant legislation. This is a highly specialised service and only companies accredited with the National Intelligence Agency can offer same, which GNS was.
16. MEC Nkosi advises in legislature replies that GNS fees to UTF was *"....determined in advance and fixed for the period in which the services were rendered..."*.
17. UTF decided to substitute GNS comprehensive integrated security services with a company that would render guarding services only. Because it would provide guarding services only, and less skilled guards, the new companies invoices would be less. This would explain the reduced price. It further appears from the MEC replies that Freedom Fighters was also not appointed through a tender process. That in itself doesn't make it illegitimate. It is a legitimate procurement practice to appoint service providers from a roster of service providers.

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18. It was therefore incorrect for the Star to state that GNS delivered the same services as the aforementioned contractors.
 19. The fees charged by GNS to UTF and G-Fleet was as per the parties contract. Buthelezi advises that the fees of GNS was in compliance with the Department of Public Service and Administration's gazetted rates.
 20. Buthelezi advises that the Auditor General audited the appointment of GNS by G-Fleet and UTF respectively, and the fees charged by GNS to G-Fleet and UTF respectively and did not make any adverse statement.
 21. It is therefor incorrect for the Star to state that it was a "*giant rip-off*" or "*50 million Rand overspend*".
 22. The Star acknowledges that these inaccuracies were printed as the Star failed to first verify it's facts with Mr Buthelezi, the former head of Department for Roads and Transport or with GNS, and the Star accordingly herewith extends it's apology to Mr Buthelezi.
 23. The Star reported that Mr Bloom advised that he would lay a charge against Mr Buthelezi for financial misconduct under the Public Finance Management Act. Mr Buthelezi advises to date hereof the NPA has not decided to institute criminal charges against Mr Buthelezi.

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SIGNATURE
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19
NOVEMBER
2009

SETTLEMENT AGREEMENT

between

GAUTENG PROVINCIAL DEPARTMENT OF PUBLIC TRANSPORT, ROADS
AND WORKS

and

SIBUSISO BUTHELEZI






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ANNEXURES

ANNEXURE "A": ANNOUNCEMENT

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WHEREBY THE PARTIES AGREE AS FOLLOWS –

1 PARTIES

- 1.1 The Gauteng Provincial Department of Public Transport, Roads and Works;
and
- 1.2 Sibusiso Buthelezi.

2 INTERPRETATION

- 2.1 The head notes to the clauses of this agreement are inserted for reference purposes only and shall in no way govern or affect the interpretation hereof.
- 2.2 Unless inconsistent with the contents, the expression set forth below shall bear the following meanings -
- 2.2.1 "**Agreement**" means this settlement agreement between the Parties;
- 2.2.2 "**Department**" means the Gauteng Provincial Department of Public Transport, Roads and Works;
- 2.2.3 "**Employee**" means Sibusiso Buthelezi, an employee employed by the Department;
- 2.2.4 "**Government Employees Pension Fund**" means a pension fund established by the Government Employees Pension Law 21 of 1996;
- 2.2.5 "**Government**" means the Government of the Republic of South Africa and includes the State
- 2.2.6 "**Parties**" means the Employee and the Department;
- 2.2.7 "**Settlement Amount**" means the amount stated in clause 8;
- 2.2.8 "**Signature Date**" means the day of signature of this Agreement by the last Party signing;
- 2.2.9 "**Termination Date**" means 30 November 2009; and



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2.2.10 "AFSA" is the Arbitration Foundation of South Africa, situated at Maisels Chambers, 2 Protea Place, Sandown.

3 BACKGROUND

3.1 The Employee is employed by the Department as the Head of Department.

3.2 The Parties have been involved in a dispute and have engaged each other regarding the mutual termination of the Employee's employment relationship and contract of employment.

3.3 The Parties record that:

3.3.1 this Agreement is entered into out of their own volition without duress and that it is the intention of the Parties to mutually terminate the employment relationship, the contract of employment and all ancillary issues in relation to the employment relationship and the termination thereof in accordance with the provisions as set out below.

3.3.2 They have sought legal advice prior to concluding this Agreement.

3.4 The Parties record the terms and conditions of the mutual separation in this Agreement.

4 RESIGNATION AS AN EMPLOYEE

4.1 The Employee resigns from his employment with the Department and from his position as Head of Department.

4.2 The Employee's employment shall terminate on the Termination Date.

4.3 The Employee acknowledges that, notwithstanding the Signature Date, this Agreement constitutes notice of termination of his employment in terms of the Basic Conditions of Employment Act 75 of 1997 and his contract of employment.

5 ANNUAL LEAVE PAY

5.1 The Department agrees to pay to the Employee an amount of R95 733.97(ninety five thousand seven hundred and thirty three rands and



ninety seven cents) less such amount which the Department is required to deduct in terms of income tax legislation, in respect of leave which has accrued by the Employee until the Termination Date.

5.2 The leave which has accrued to the Employee as at the Termination Date is 20 (twenty) working days.

5.3 The Department shall effect payment in terms of clause 5.1 within 5(five) days of the Signature Date.

6 GOVERNMENT EMPLOYEES PENSION FUND

6.1 The Employee's membership of Government Employees Pension Fund shall terminate on the Termination Date.

6.2 The Employee is entitled to payment of his benefits in terms of the rules of the Government Employees Pension Fund.

7 MEDICAL AID

7.1 The Employee's membership of his medical aid shall terminate on the Termination Date.

8 SETTLEMENT AMOUNT

8.1 The Department shall pay to the Employee an amount of R 1 234 688.94 (one million two hundred and thirty four thousand six hundred and eighty eight rands and ninety four cents) less such amount which the Department is required to deduct in terms of a tax directive to be obtained from the South African Revenue Services.

8.2 The Department undertakes to obtain a tax directive from the South African Revenue Services within 14 (fourteen) days calculated from the Signature Date of this Agreement.

8.3 The Department shall effect payment in terms of clause 8.1 within 5 (five)

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days of the Department obtaining the original tax directive.

9 RETURN OF DEPARTMENT PROPERTY

The Employee shall return the Department's property to the Department by no later than 25 November 2009.

10 RETURN OF DOCUMENTS

10.1 The Employee shall deliver to the Department all correspondence, reports, papers and all other documents which have been prepared by the Employee or have come into the possession of the Employee in the course of his rendering services to the Department, by the Termination Date.

10.2 The Employee agrees that he will not retain any copies of correspondence, reports, papers, records and/or other documents which have been prepared by him or have come into his possession during the course of his rendering his services to the Department and/or Government.

11 REPRESENTATIONS BY THE PARTIES

From the Termination Date:

11.1 neither Party shall at any time make any adverse, untrue or misleading statement about the each other; and ✕

11.2 the Employee shall co-operate with the Department and the Government by providing such reasonable assistance as may be required in connection with any matters, where it considers that the Employee has knowledge or information which is relevant to such matter. The provision of such assistance may include attending meetings, giving and signing statements and attending hearings at a reasonable remuneration.

12 ANNOUNCEMENT

12.1 The announcement of the mutual decision to terminate the employment relationship shall be made by the Department by way of a media release and a circular to employees.

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12.2 The announcement which shall be made by the Department is attached as Annexure "A".

13 ADEQUATE CONSIDERATION

The Employee acknowledges and agrees that the terms set forth above include compensation to which he is not otherwise entitled. Furthermore, the Employee acknowledges that, except as expressly set forth above, he is provided with all compensation that remains due and owing to him from the Department and/or the Government and, after today, the Employee will be entitled to no other or further compensation, remuneration or benefits from the Department and/or the Government. Any payments made hereunder shall be less all applicable taxes and other deductions required by law.

14 PAYMENT

All payments in terms of this Agreement, less income tax, shall be paid by the Department by means of an electronic funds transfer into the Employee's bank account.

15 FULL AND FINAL SETTLEMENT

15.1 Each and all of the payments made and agreed to herein are in full and final settlement of all and any claims which the Parties may have against each other whether such claims arise in delict, contract or in terms of any statutory enactment or otherwise.

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16 NOTICES AND DOMICILIA

16.1 Each Party chooses the address set out opposite its name below as its address to which all notices, legal processes and other communications must be delivered for the purposes of this Agreement.

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<u>The Employer</u>	<u>Physical Address</u>	<u>Telefax</u>
The Gauteng Provincial Department of Public Transport, Roads and Works	Sage Life Building 41 Simmonds Street Johannesburg	011 355 7509

Marked for the attention of: MEC Bheki Nkosi

<u>The Employee</u>	<u>Physical Address</u>	<u>Telefax</u>
Sibusiso Buthelezi	c/o Tracy Sischy Attorneys 44 Olympic Road Cnr. Republic Road Blairgowrie Randburg	011 886 1391

- 16.2 Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing and delivered by hand.
- 16.3 Any party may by written notice to the other party change its chosen address to any physical address, provided that the change shall become effective on the 14th day after the receipt of the notice by the addressee.

17 SETTLEMENT OF DISPUTES

- 17.1 In the event of there being any dispute or difference between the Parties arising out of this Agreement, the dispute or difference shall on written demand by any Party be submitted to arbitration in Johannesburg in accordance with the AFSA rules, which arbitration shall be administered by AFSA.
- 17.2 The arbitrator shall be agreed to by the Department and Employee and, failing agreement, the arbitrator shall be appointed by any director of AFSA from time to time. The arbitrator shall be an attorney or advocate who is admitted to practice as such in the Republic of South Africa and who has at least 15 (fifteen) years' experience as an admitted attorney or advocate in the Republic of South Africa.
- 17.3 The Department and the Employee may agree on the procedure to be

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followed prior to and during the arbitration, as well as the time and place of the arbitration hearing. Failing such agreement, the arbitrator shall determine the procedure to be followed and shall fix the time and place for the arbitration hearing.

17.4 The costs of the arbitration shall be agreed between the parties, or failing agreement be determined by the Arbitrator.

18 GENERAL

18.1 Whole Agreement

18.1.1 This Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein and, save to the extent otherwise provided herein, no undertaking, representation, term or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on either of the Parties.

18.1.2 This Agreement supersedes and replaces any and all agreements between the Parties (and other persons, as may be applicable) and undertakings given to or on behalf of the Parties (and other persons, as may be applicable) in relation to the subject matter hereof.

18.2 Variations to be in Writing

No addition to or variation, deletion, or agreed cancellation of all or any clauses or provisions of this Agreement will be of any force or effect unless in writing and signed by the Parties.

18.3 No Indulgences

No latitude, extension of time or other indulgence which may be given or allowed by any Party to the other Parties in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of any Party arising from this Agreement, and no single or partial exercise of any right by any Party under this Agreement, shall in any circumstances be construed to be an implied consent or election by such

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Party or operate as a waiver or a novation of or otherwise affect any of the Party's rights in terms of or arising from this Agreement or estop or preclude any such Party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof.

18.4 Provisions Severable

All provisions and the various clauses of this Agreement are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision or clause of this Agreement which is or becomes unenforceable in any jurisdiction, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatever, shall, in such jurisdiction only and only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions and clauses of this Agreement shall remain of full force and effect. The Parties declare that it is their intention that this Agreement would be executed without such unenforceable provision if they were aware of such unenforceability at the time of execution hereof.

19 SIGNATURE

- 19.1 This Agreement is signed by the Parties on the dates and at the places indicated below.
- 19.2 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.
- 19.3 The persons signing this Agreement in a representative capacity warrant their authority to do so.



SIGNED at Johannesburg on this the 19 day of November 2009.

For and on behalf of The Gauteng Provincial Department of Public Transport, Roads and Works being duly authorized to represent the Department accordingly

[Signature]
Signature
Bhekizwe Simon Nkomo
Name of Signatory
MFC. Road and Transport
Designation of Signatory

[Signature]
Signature of Witness
M. Sianda
Name of Witness

SIGNED at Randburg on this the 20 day of November 2009.

THE EMPLOYEE
[Signature]
Signature
Sibusiso Buthelezi
Name of Signatory

[Signature]
Signature of Witness
Mare Sischy
Name of Witness

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ANNOUNCEMENT

To all staff and media

Following the suspension of Mr Buthelezi which took place on 14 July 2009 the Department and Mr Buthelezi announce the following:

1. The Department withdraws all charges against Mr Buthelezi.
2. The Department has lifted his suspension.
3. The Department and Mr Buthelezi have entered into a mutual agreement in terms of which his employment with the Department will terminate on 30 November 2009.

MEC: Mr Bheki Nkosi

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Tracy Sischy

From: "Johan Retief" <johanr@ombudsman.org.za>
To: <tsischy@absamail.co.za>; "Janet Smith" <janet.smith@inl.co.za>
Cc: "Joe Thloloe" <Pressombudsman@ombudsman.org.za>; "Khanyi Mndaweni" <khanyim@ombudsman.org.za>
Sent: 16 August 2011 11:14 AM
Attach: SibusisoTHESTAR.doc
Subject: finding

Dear all

Attached, the finding.

Kind regards

Johan

x	Johan Retief Deputy Ombudsman Direct Tel. 011 484 3612/8 Direct Fax. 011
x	x
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Please visit the Press Council website www.presscouncil.org.za for the South African Press Code and our Compl

Sibusiso Buthelezi vs. The Star

Ruling by the Deputy Press Ombudsman

August 16, 2011

This ruling is based on the written submissions of Tracy Sischy Attorneys, for Mr Sibusiso Buthelezi, and The Star newspaper, as well as on an informal hearing that was held in Johannesburg on July 27, 2011. Ms Tracy Sischy represented Buthelezi, who was also present together with a witness, GNS Project Manager Relibile Mofokeng; Jillian Green represented the newspaper, with Janet Smith and Anél Lewis participating by way of a telephone conference.

Complaint

Mr Sibusiso Buthelezi, the former head of Gauteng’s Transport and Public Works Department (DPTRW), complains about a story in The Star, published on November 8, 2010, and headlined *DA to sue after Gauteng ignores R50 million overspend*.

Buthelezi complains that the newspaper failed to verify the contents of the story with him and the GNS Risk Advisory Services (GNS) prior to publication.

He also says that the story falsely/untruthfully/inaccurately states or implies that:

- he is the culprit who illegitimately appointed GNS to G-Fleet and UTF;
- he overspent with R50 million on GNS;
- companies that replaced GNS were doing the same work;
- GNS was “exorbitant” and a “giant rip-off”;
- GNS did not do risk assessment for the DPTRW; and
- GNS provides guarding services.

Buthelezi adds that the story fails to state that the Auditor General did not make any adverse findings about the appointment and the costs charged by GNS.

Analysis

The story, written by Anél Lewis, says that the Gauteng Department of Roads and Transport will not take legal action against Buthelezi for overspending by more than R50 million on a security contract. This reportedly came despite a call from Public Protector Thuli Madonsela for an investigation by the Gauteng government and the National Treasury into a R71 million contract that had been awarded to a company with links to former communications minister Sipiwe Nyanda. The story says that a settlement was reached when Buthelezi resigned, adding that the DA was going to lay a charge of financial misconduct against him at the Police’s Commercial Crimes Unit.

I shall now consider the merits of the complaint:

Failed to verify

Buthelezi complains that the newspaper failed to verify the contents of the story in dispute or to seek his and GNS’s views prior to publication.

The Star admits this and says that it “could apologise” for not doing so.

At the hearing, the newspaper confirmed that it should have asked Buthelezi for comment and that it would apologise to him for not doing so. However, Smith also mentioned that the newspaper was not obliged to ask subjects for comment because the story was reporting on a legislative process.

Smith is, of course, correct. The same goes, for example, for court reporting.

Even though The Star says that it would apologise to Buthelezi for not asking him for comment, I cannot direct it to do so – it would put every newspaper in this country in an untenable position if this office expects publications to ask the subject of reportage for comment when reporting on legislative processes.

Of course, if the newspaper wants to apologise to him for not asking his comment, it is free to do so.

However, it has to be said that the story does not make it clear enough that it was reporting on a legislative process. The only words that may point to this are: “In a written reply to questions by the DA...” These words can refer to a legislative process, but that is not necessarily the case.

Lastly, in his last representation Buthelezi furnished me with a settlement agreement document between himself and the department that states the neither party shall make any adverse, untrue or misleading statement about the other. He argues that former MEC of Roads and Transport Bheki Nkosi therefore had a contractual duty to verify his replies with him – and complains that the MEC has failed to do so.

This may or may not be the case, but it surely is irrelevant as far as The Star is concerned. What has or has not expired between Nkosi and Buthelezi is none of its concern.

Culprit who illegitimately appointed GNS

Although the story does not say it explicitly, Buthelezi complains that the story implies that he has appointed GNS illegitimately.

Note that the complaint is not that the story falsely implies that he has appointed GNS, but only that he has done so illegitimately.

I am not going to entertain this part of the complaint, as the story is about alleged overspending – and there is nothing in the story that states or even suggests that the appointment itself was illegitimate.

Overspent R50 million on GNS

The intro reads: “The Gauteng Department of Roads and Transport will not take legal action against Sibusiso Buthelezi for overspending on a security contract by more than R50 million.”

Buthelezi complains that the story falsely blames him for R50 million that was overspent on GNS.

He argues that he was as of 30 November 2009 no longer in the DPTRW employ, that he was suspended since 14 July 2009, and that he could therefore not have authorized any payment to GNS, nor could he have played a role in determining whether that company rendered value for invoices issued.

The Star admits that the intro “could be regarded as misleading” as the sentence says that no legal action would be taken “for overspending” by more than R50 million when, according to the newspaper, it should have read “for authorizing” the spending of that amount.

When Sischy reiterated Buthelezi’s argument at the hearing, the newspaper replied: “Point taken.”

In his last presentation to me Buthelezi explains that the reason why The Star erroneously blamed him for overspending more than R50 million is because the newspaper has failed to distinguish between G-Fleet, UTF and the department. He argues that this distinction is important as he can only be held liable for occurrences (during his tenure) *in the department*.

Buthelezi cites more examples of this lack of distinction, but these three will do:

- The headline and the story (twice) both mention an overspending of R50 million. The intro specifically links this amount to him, whilst he says that some of the amounts mentioned in the story were not departmental expenditure (for which he says that he was not responsible);
- The story mentions that GNS did work in Koedoespoort, but it does not state that the work was done for G-Fleet, and adds that Nkosi made this clear in an official document that was at the newspaper’s disposal; and

- The story says that GNS guarded the command centre – but Nkosi made it clear that GNS did this work for UTF.

He also notes that:

- the only allegation in the story about the department is that GNS had to do risk assessment for it for an amount of R1,2 million – this, he argues, is a far cry from the R50 million as alleged in the story; and
- nowhere did Nkosi say that there was an overspend of R50 million and that he was liable for that amount.

He concludes that the newspaper obtained the amounts from Nkosi’s answers to the DA, but that it nevertheless did not distinguish that GNS rendered services to the department as well as to G-Fleet and UTF – a distinction which is clearly made in the very same document. He adds that it is nonsensical for the newspaper to state that Abalozi cost R24 million per annum cheaper than GNS as it was the same company (only the names have changed).

For clarity’s sake, these amounts refer to the statements that GNS:

- was paid R848 160 a month to guard the government’s fleet in certain places, over against the R184 643 that a new contractor was paid;
- received R260 400 per month, as opposed to the R35 394 that another company was paid;
- was allocated a monthly budget of R1.2 million, whilst no work was done; and
- claimed R410 000 per month to guard the command centre, whilst another company would get R49 773 for the same service.

I am now faced with these two questions:

- Does the story make out Buthelezi to be the culprit who overspent money on GNS?; and
- If yes, was the newspaper justified in doing so?

The intro says that the department will not take legal action against Buthelezi for overspending on a (GNS) security contract by more than R50 million. This is repeated in the third paragraph and this time it is attributed to a source.

There is therefore little doubt that the story indeed blames Buthelezi for the overspending.

So, was the newspaper justified in doing so? To answer this question adequately, it would be helpful to establish whether The Star portrays the disputed issue as a fact or whether the newspaper presents it as an opinion.

On the face of it, the intro states it as a fact. It reads: “The Gauteng Department of Roads and Transport will not take legal action against Sibusiso Buthelezi for overspending on a security contract by more than R50 million”.

But “facts” can be misleading...

The structure of news stories are more often than not as follows: It starts with an opening statement (the intro); this is normally followed by a sentence or two that provides background or context (paragraphs two/three, or three/four); the next sentence then usually returns to the intro and expands on the information presented in the first sentence.

This, I think, is exactly what has happened here. After the intro and the second paragraph, that indeed provides background/context, the third paragraph elaborates on the first. Compare the phrase “Gauteng Department of Roads and Transport”, the words “will not take legal action against Sibusiso Buthelezi” and the statement “for overspending on a security contract by more than R50 million” of the intro to the third paragraph’s “The department”, “will not institute legal actions against Mr Buthelezi” and “in order to recover the money”.

The third sentence is clearly a continuation of the first one – and the third sentence quotes Nkosi directly.

A reasonable conclusion may be that the statement that no legal action would be taken against Buthelezi for overspending more than R50 million (in the intro) was gleaned from a source (Nkosi).

However, as the information is not directly ascribed to Nkosi in the intro, it is also possible that the words “for overspending” was an *interpretation* of what the source actually had said.

Taking into account that The Star admitted that these words may have been misleading (as the newspaper says the phrase should have read “for authorizing”), I am inclined to agree with the newspaper.

Please note: I have accepted that the sentence should have read that legal action was taken against Buthelezi for authorizing the over-spending of R50 million – *but this is not to say that it is true that Buthelezi indeed authorised R50 million.*

However, this is not the end of this matter, as I still have to address the issues whether the amounts that the story mentions:

- refer to Buthelezi’s tenure; and
- were his responsibility (while he was at the department).

It would indeed be unfair to Buthelezi if these amounts fully or even partly refer to the period after his suspension and/or to expenses that fell outside of his jurisdiction.

So let’s take a closer look at some expenditures that the article mentions. The story attributes the amounts of R50 million and R24 million to a source (Bloom). The journalist was therefore justified to report these amounts. However, this is not the case

with the amounts of R848 160, R260 000 and R410 000 that the story mentions in the last four paragraphs (these are amounts that GNS reportedly received).

The problem with these paragraphs is that they do not attribute the information contained in them to a source in any way – there is no “he said” or something to this effect, neither are quotation marks used. The information (containing data about how much was spent, in contrast to how much was saved) is simply presented as facts.

At the hearing, The Star indeed argued that this information had come from a questions-and-answers session in the legislature and from a statement by Bloom during or immediately after the session in question, and concluded from this that it was therefore justified in reporting the way it did.

I have no reason to doubt the newspaper’s word that the information was gained from a legislative session. The problem, however, is that the story does not make this clear enough.

At the hearing Buthelezi rightly said that these last four paragraphs rather give the impression that the newspaper has done its own investigation and that it was now presenting the information contained in them as facts.

Yes, it can be argued that these amounts are attributed to Nkosi, who is mentioned in the fifth last paragraph. However, the further the story goes away from Nkosi, the weaker this argument becomes.

This brings me to the conclusion that ordinary readers would probably have understood that Buthelezi was held responsible in the story for all or most of these overspendings.

Now: Buthelezi says that he was suspended since 14 July 2009 and that he was from 30 November of that year no longer in the department’s employ. Also keep in mind that GNS’s contract was cancelled in March 2010 – a full eight months after Buthelezi’s suspension and four months after his resignation. (The newspaper never disputed this information.)

It is therefore quite possible that at least a part of these amounts may have been (over)spent by somebody else. The implication in the story that he was responsible is therefore unfair, as he could at best (or worst) only be held partly responsible.

This leaves me with the question whether Buthelezi could have been held responsible for all the payments during his tenure as CEO.

He argues that he was responsible only responsible for the department, but I am not so sure of that. The document that contains the department’s contract with G-Fleet – which Buthelezi himself furnished me with – states that G-Fleet was:

- established by the department;
- managed through the department; and

- wholly funded by the department.

To me, this makes it reasonable to accept that Buthelezi was indeed responsible for expenditure regarding G-Fleet (during his tenure as CEO). If G-Fleet was managed through the department, surely it is reasonable to accept that work that GNS did for G-Fleet must have been authorized by him.

Rendering same services

The sentence in dispute reads: "...the companies that replaced GNS...were doing the same work for about R24m less a year." The story mentions Abazoli, Pothlako Security and Cleaning Services, and Pholile Business Solutions in this regard.

Buthelezi complains that it was false to state that other companies rendered the same services that GNS.

In his last presentation to me, Buthelezi says that it would appear from Nkosi's reply to the DA (document 5.TR081) that G-Fleet and UTF have decided to substitute GNS's comprehensive integrated security services for companies that would render guarding services only.

He also referred me to a document (Annexure D) which outlines GNS's work done for the UTF. This document provides UTF with a once-off "risk assessment comprehensive security strategy". He concludes that it was therefore incorrect for The Star to state that GNS delivered the same service as other contractors.

The Star says this information comes from its source.

That is true, at least as far as the reference to Abalozi is concerned – the sentence preceding the one in question mentions Bloom and the sentence in which the phrase occurs puts the words "giant rip-off" in inverted commas.

The story, however, does not make it clear that the references to the other companies come from a source. The same problem stated above surfaces here – information from a source is presented as a fact, but without attribution.

Although this is sloppy journalism and the information may well be incorrect, I cannot find against the newspaper as I have no evidence that it is indeed not accurate.

GNS 'exorbitant', a 'giant rip-off'

The story quotes Bloom who reportedly estimated that the department overpaid more than R50 million; the next sentence uses the phrase a "giant rip-off" in inverted commas.

The article also cites some examples of companies that have replaced GNS and that have done work for less. These include companies that:

- did the same work for about R24 million less per year;
- received R35 394 per month, in contrast to GNS's R260 000; and
- earned R49 773 per month, over against the R410 000 that GNS received.

Buthelezi complains that it is untruthful and inaccurate to state that GNS was "exorbitant" and that the payments were a "giant rip-off". He says that GNS rates were in accordance with the Department of Public Service and Administration's rates for consultants published in the Government Gazette in January each year.

In his last representation to me Buthelezi denies that GNS's fees were excessive, and argues that the charges were as per contracts that GNS entered into with the department, with G-Fleet and with UTF respectively.

He also argues that the companies that have replaced GNS did less work and that their invoices would therefore be less costly. He says: "This would explain the reduced price."

The newspaper says that it was merely quoting its sources.

The Star is correct – the story ascribes the phrase "giant rip-off" to Bloom. This phrase appears in the sentence that follows the statement that Bloom estimated that the department has overpaid more than R50 million on the contract. The inverted commas clearly refer to Bloom's comment, rather than to the newspaper's view (as Sischy put it at the hearing).

The story ascribes the word "exorbitant" to Nkosi.

The Star was therefore justified to quote its sources as having used the words "exorbitant" and "giant rip-off".

No risk assessment

The story says: "A monthly budget of R1.2m was allocated for GNS to do risk assessment" for the DPTRW and adds that "no work was ever done".

Buthelezi denies that no work was done. He says that, before the department paid GNS it had received detailed invoices, timesheets and monthly reports. He adds that GNS would continuously update its threat and risk assessment. To this effect, he provided me with a document headlined *Department of Public Transport Roads and Works – Compliance and Monitoring*. This document, he says, is the contract between G-Fleet and GNS.

At the hearing, another document headlined *Department of Public Roads and Works – Comprehensive Security Strategy*, was tabled to prove that risk assessment was indeed

done. Sischy claimed that this (undated) document contains the risk assessment strategy that GNS has done for the department – “proof that work was completed”.

Buthelezi also later argued that it was clear from Nkosi’s outlining of costs that not all of the services rendered were monthly services, but that some of the costs were once-off fees – and said that the R1.2 million that the story mentions was such a fee.

The newspaper says the information in dispute comes from Nkosi.

Although the “strategy” document is unsigned (and undated), it does refer to GNS a few times, and from that I can conclude that company at least did some work.

The following sentence in this document is important: “On Thursday, 26 June 2008 GNS conducted TRA (Threat Risk Assessment) for the provision, installation and maintenance of an integrated state of the art security system that would manage pedestrian access control, garage access control, license plate recognition, CCTV and remote monitoring capability.”

This is evidence that GNS did at least do some work.

I would have ruled for the newspaper if it was clear that the information came from the legislature/source – but it is not clear. The story states it as a fact – which it is not.

GNS providing guarding services

The sentence in dispute says: “GNS claimed R410 000 a month to guard the command centre.”

Buthelezi complains that it is untruthful and incorrect to state that GNS provides guarding services. He argues that this implies that GNS employs guards – which he says is not the case. He explains that it renders asset surveillance services and has a variety of specialists with experience in criminal law, finance, due diligence, forensic audits, law enforcement, military regulation, research and security.

At the hearing, Mofokeng (from GNS and a witness for Buthelezi) explained that GNS provides integrated security services and not “guarding” services.

In Buthelezi’s last presentation to me, he qualifies this statement by saying that the only possible “guards” referred to (Annexure B) are six reaction agents – a small part of the services rendered by GNS.

Further on in his complaint, Buthelezi also says: “The *guards* later posted by GNS...” (emphasis added). He says they were highly trained officials who formerly worked for the NIA and military intelligence. He adds that guarding by its officials was “only a small component of the work done by GNS”.

The newspaper says this information comes from Nkosi – an argument that again does not hold water (as argued above) as it is not attributed to him.

The question now is how to interpret the word “guarding”. Does this only refer to people in uniform, maybe carrying firearms, or could it also include other surveillance services?

I am opting for the latter – an ADT system, for example, can also be described as a guarding device or service. Besides, Buthelezi himself admitted that guarding by its officials was at least part of GNS’s work.

Failing to state

Buthelezi complains that the story does not state that the Auditor General did not make any adverse findings about the appointment and the costs charged by GNS.

The newspaper said at the hearing that it did not know this at the time.

I take into account that, from The Star’s perspective, it was merely reporting on a legislative process (although the story does not make this clear enough). I therefore am not going to blame the newspaper for not mentioning the Auditor General.

Finding

Failed to verify

This part of the complaint is **dismissed** – the newspaper was under no obligation to ask Buthelezi for comment as it was merely reporting on a legislative process.

As The Star has indicated that it would apologise to Buthelezi for failing to ask him for comment, it is free to do so without such a direction from this office.

Culprit who illegitimately appointed GNS

This part of the complaint is **dismissed** as the story does not say or imply that Buthelezi illegitimately appointed GNS.

Overspent R50 million on GNS

The newspaper correctly admitted that the phrase “for overspending” in could be misleading and that it should have read “for authorizing”. This is **in breach of** Art. 1.2 of the Press Code that states: “News shall be presented in context and in a balanced manner,

without any intentional or negligent departure from the facts whether by distortion, exaggeration or misrepresentation...or summarization.”

I was also unfair to create the impression that he was responsible for all the amounts that were mentioned later on in the story, as at least a part of the expenditures may well have been spent by somebody else after his initial suspension and later resignation (a period of eight months has elapsed between his suspension and the cancellation of GNS’s contract). This is **in breach of** Art. 1.1 of the Press Code that states: “The press shall be obliged to report news...fairly.”

Rendering same services

This part of the complaint is **dismissed** – one part of this complaint is attributed; I have no evidence regarding the other part to make a decision either way.

GNS ‘exorbitant’, a ‘giant rip-off’

This part of the complaint is **dismissed**, as both statements are attributed.

No risk assessment

The story states it as a fact that GNS did not do risk assessment – a statement that is not true, based on documentation at my disposal. This is **in breach of** Art. 1.1 of the Press Code that states: “The press shall be obliged to report news ... accurately ...”

GNS providing guarding services

This part of the complaint is **dismissed** as the concept “guard” can also refer to guarding systems and not only to people who do a guarding job.

Failing to state

This part of the complaint is **dismissed**. The newspaper was under no obligation to state that the Auditor General did not make any adverse findings about the appointment and the costs charged by GNS as it was merely reporting on a legislative process.

Sanction

The Star is **reprimanded** for:

- misleadingly stating that Buthelezi has overspent R50 million, instead of saying that he has authorized that amount;
- unfairly creating the impression that Buthelezi was responsible for all the expenditure that were mentioned towards the end of the story; and
- erroneously stating it as a fact that GNS did not do risk assessment.

The newspaper is directed **to apologise** to Buthelezi for the first two issues that it is reprimanded for.

The Star is directed to **publish a summary** of this finding (not necessarily the whole ruling) and the sanction. The story should put the matter in context and start with what the newspaper got wrong. It is then free to elaborate on the parts of the complaint that were dismissed.

Our office should be **furnished with the text** prior to publication.

Please add the following sentence at the end of the text: "Visit www.presscouncil.org.za (rulings, 2011) for the full finding."

Appeal

Please note that our Complaints Procedures lay down that within seven days of receipt of this decision, anyone of the parties may apply for leave to appeal to the Chairperson of the SA Press Appeals Panel, Judge Ralph Zulman, fully setting out the grounds of appeal. He can be reached at khanyim@ombudsman.org.za.

Johan Retief
Deputy Press Ombudsman

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Tracy Sischy

From: "Tracy Sischy" <tsischy@absamail.co.za>
To: <janet.smith@inl.co.za>
Cc: "Khanyi Mndaweni" <khanyim@ombudsman.org.za>; <johanr@ombudsman.org.za>
Sent: 23 August 2011 04:45 PM
Attach: Notice of Appeal - Buthelezi (2).pdf
Subject: Tracy Sischy Attoreny

Dear Sir/Madam

Receive herewith Notice of Appeal for your attention.

Yours faithfully
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**BEFORE THE SOUTH AFRICAN PRESS APPEALS PANEL
(HELD IN GAUTENG)**

In the matter between

BUTHELEZI, SIBUSISO BLESSING

Appellant

and

**INDEPENDENT NEWSPAPERS (PTY) LTD
t/a THE STAR**

Respondent

FILING SHEET

Documents presented for filing:

Notice of Appeal

Dated at Randburg this the 23rd day of August 2011.



**Attorney for Complainant
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TO: **INDEPENDENT NEWSPAPER (PTY) LTD t/a THE STAR**
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AND TO: **SA PRESS APPEALS PANEL**
The Honourable Ralph Zulman
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AND TO: **PRESS OMBUDSMAN**
Mr Johan Retief
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BEFORE THE SOUTH AFRICAN PRESS APPEALS PANEL
(HELD IN GAUTENG)

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In the matter between

BUTHELEZI, SIBUSISO BLESSING

Appellant

and

**INDEPENDENT NEWSPAPERS (PTY) LTD
t/a THE STAR**

Respondent

NOTICE OF APPEAL

KINDLY TAKE NOTICE that the Appellant herewith notes an appeal against the judgement of the Honourable Press Ombudsman Mr Johan Retief delivered on 16 August 2011 to the Press Council.

An extract from the Press Ombudsman's ruling which sets out the finding and sanction is attached hereto as **Annexure A**. For sake of convenience same was also numbered.

FURTHER TAKE NOTICE that the following paragraphs of the finding is appealed against, namely paragraphs 1, 1.1 – 1.2, 2, 2.1, 3, 3.1 – 3.2, 4 and 4.1, 5 and 5.1, 7 and 7.1, 8 and 8.1.

The following paragraphs of the sanction is accordingly appealed against namely paragraphs 1.1, 1.2, 2, 3 and 4.

FURTHERMORE TAKE NOTICE that the grounds of the appeal are as follows:

It is submitted that the learned Press Ombudsman erred in findings of fact and in law in one or more aspects.

A: FINDING

Re ad paragraph's 1.1 and 1.2 thereof "failed to verify"

1. That the Star is given the discretion to withdraw its admission of its failure to verify its article and withdraw the apology already tendered in its letter of 24 May 2011 accepted in writing by the Appellant in writing on 4 August 2011, even when its failure to verify is in breach of paragraphs 1.4, 1.5 and 1.10 of the Press Code.
2. That the Star had no duty to ask Buthelezi for comment as it was merely reporting on a legislative process. More especially when the Star only quotes or refers to comments by MEC Nkosi and Mr Bloom in 3 out of 13 paragraphs which imputes and was understood by the Star readers that the remainder of the article is from the Star personally and that it was printed as a result of the Star's investigative reporting. The learned Press Ombudsman finding in this regard contradicts pages 5 – 7 of his ruling which is quoted as follows:
 - "2.1 *So let's take a closer look at some expenditures that the article mentions. The story attributes the amounts of R50 million and R24 million to a source (Bloom). The journalist was therefore justified to report these amounts. However, this is not the case with the amounts of R848 160, R260 000 and R410 000 that the story mentions in the last four paragraphs (these are amounts that GNS reportedly received).*
 - 2.2 ***The problem with these paragraphs is that they do not attribute the information contained in them to a source in any way – there is no "he said" or something to this effect, neither are quotation marks used. The information (containing data about how much was spent, in contrast to how much was saved) is simply presented as facts.***
 - 2.3 *At the hearing, The Star indeed argued that this information had come from a questions-and-answers session in the legislature and from a statement by Bloom during or immediately after the session in question, and concluded from this that it was therefore justified in reporting the way it did.*

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- 2.4 *I have no reason to doubt the newspaper's word that the information was gained from a legislative session. The problem, however, is that the story does not make this clear enough.*
- 2.5 ***At the hearing Buthelezi rightly said that these last four paragraphs rather give the impression that the newspaper has done its own investigation and that it was now presenting the information contained in them as facts.***
- 2.6 *Yes, it can be argued that these amounts are attributed to Nkosi, who is mentioned in the fifth last paragraph. However, the further the story goes away from Nkosi, the weaker this argument becomes.*
- 2.7 *The Star says this information comes from its source.*
- 2.8 *That is true, at least as far as the reference to Abalozi is concerned – the sentence preceding the one in question mentions Bloom and the sentence in which the phrase occurs puts the words “giant rip-off” in inverted commas.*
- 2.9 ***The story, however, does not make it clear that the references to the other companies come from a source. The same problem stated above surfaces here – information from a source is presented as a fact, but without attribution.***
- 2.10 ***..... this is sloppy journalism***
3. When the Star did not abide by the Press Code which requires that it makes it clear and is understood by its readers that the purpose of the article is that it is merely reporting on legislative process, which the Star failure to do. The Star didn't state that it was quoting MEC Nkosi in the remainder of its article and furthermore didn't quote MEC Nkosi correctly as can be seen from paragraphs 12 – 13 below.
4. That the Press Ombudsman gives the Star a discretion as to whether it wishes to withdraw the admission it made and the apology it tendered and fails to make a final ruling thereon.

Ad paragraph 2 “Culprit who illegitimately appointed GNS”

5. The Press Ombudsman’s summarisation of the Appellant’s complaint that he is “the culprit” who illegitimately appointed GNS is **inaccurate** as it *inter alia* fails to distinguish between the Department, G-Fleet and UTF. Kindly see paragraphs 9 – 9.2 below for the Appellant’s correct complaint.
6. The Honourable Press Ombudsman failed to apply his mind to the fact that both the Appellant and the MEC in his replies state that Department of Roads and Transport, G-Fleet and the Urban Transport Fund (UTF) are 3 separate entities, and that the Appellant in his former capacity as HOD of the Department of Roads and Transport didn’t appoint GNS to G-Fleet and UTF.
7. The Appellant can therefore not be held accountable as to whether the appointment of GNS to G-Fleet and UTF was legitimate as they are separate entities.
8. The Honourable Press Ombudsman didn’t apply his mind to the fact that the Appellant doesn’t deny that the Department of Roads and Transport appointed GNS during his tenure and in fact attached proof thereof as **Annexure F** to his complaint dated 11 May 2011. Further that the appointment clearly related to the risk assessment only.
9. We quote paragraph 43.1 of the Appellant’s complaint dated 11 May 2011 which states that: “The Star states as follows: *The controversial contract awarded to GNS Risk Advisory Services in October 2007 without an open tender process was terminated in March this year. Bloom estimated the Department overpaid more than R50m on the contract before it was stopped. I was a giant rip-off.* The Star’s allegations that the appointment of GNS is controversial and without an open tender process and that as a result the DA’s Jack Bloom will lay a charge of financial misconduct against the Appellant imputes and was understood by the Star readers that the Appellant didn’t appoint GNS legitimately” (to the Department of Roads and

Transport). Even when the Appellant provided proof that the appointment was legitimate. See Annexure F to the Appellant's complaint dated 1 May 2011.

9.1 We quote paragraph 44 of the Appellant's letter of 11 May 2011.

"It doesn't extinguish clearly that DPTRW, G-Fleet and UTF each appointed GNS independently and that GNS contracted/ rendered services with each entity independently"

9.2 As the Press ombudsman misquoted the Appellant's complaint the finding is also inaccurate.

Ad paragraphs 3, 3.1 and 3.2 "overspent R50 million on GNS"

10. Should one have regard to the fact that the Honourable Press Ombudsman finds in paragraph 6.1 of his finding that GNS did the work the Department of Roads and Transport instructed it to do, read with the fact that Department of Roads and Transport, UTF and G-Fleet are 3 separate entities then it is clear that the Appellant can only be held liable for the expenditure by the Department of Roads and Transport and that the alleged overspending can only be attributed to G-Fleet and UTF.
11. The Press Ombudsman's ruling would have the effect of attributing an alleged overspend of about 50 million to the Department of Roads and Transport and accordingly to Mr Buthelezi limited to the period of his tenure. According to the MEC's replies the bulk of expenditure should be attributed to G-Fleet and GNS, and the Press Ombudsman found that GNS fulfilled its mandate to the Department of Roads and Transport.
12. The Star alleges that it is quoting the MEC replies. However in each of the replies of the MEC it distinguishes between the Department and its trading entities. Inserted below is a table provided and quoted from MEC Nkosi's reply on page 2 of **5.TR081**. (The numbering is writer's own).

		a	b	c	d
	Service	Company Name	Monthly amount	Replacement company	Amount per month/ project
121.	g-Fleet Risk Assessment, Fraud Prevention and Forensic Investigation	GNS	R747 840.00	None	
122.	g-Fleet Physical guarding (Bedfordview)	GNS	R848 160.00	Pothlako Security and cleaning Services	R184 643.00
123.	g-Fleet Physical guarding (Koedoespoort)	GNS	R260 400	Pholile Business Solutions	R37 394.10
124.	DPTRW Risk Assessment, Fraud Prevention and Forensic investigation	GNS	No work was done, however the budget was for R1.2 million	MIE (vetting processes of service providers and employees)	R500 000.00 for the entire project, i.e. for the year 2010 to 2011
125.	UTF-Risk advisory	GNS	We paid per invoice for work done	None	
126.	UTF – Physical guarding at Command Centre	GNS	R410 000.00	Freedom Fighters Security Services	R49 773.16

13. It is the Star who fails to make the same distinction. The Star lumps GNS respective charges to G-Fleet, UTF and the Department together and then blames the Appellant, a former employee of the Department of Roads and Transport for all of it which is unreasonable. Kindly have regard to the following examples.

13.1 The heading of the article and the 1st paragraph of column 1 and the 2nd paragraph of column 3 of the Star newspaper article refers to a joint overspend of 50 million Rand.

13.2 In paragraph 3 of column 3 it states that GNS is 24 million per year more expensive than Abalozi and it doesn't attribute the expenditure to either the Department, G-Fleet or UTF. This allegation by the Star is not confirmed in any of the MEC replies. Mr Bloom also didn't state same in his article. (This appears to be an editing oversight as GNS and Abalozi is the same company and same should be rectified by the Star)

- 13.3 In paragraph 1 of column 5 the Star doesn't distinguish that GNS did work for G-Fleet (in Koedoespoort). Kindly refer to item 12.3 of the above table. The MEC makes it clear that the work was done for G-Fleet.

- 13.4 In paragraph 3 of column 5 of the Star advises that GNS rendered services to guard the Command Centre. Kindly refer to paragraph 12.6 of the above table. The MEC makes it clear that GNS did the work for UTF.

- 13.5 In paragraph 2 of column 4 the Star advises that GNS did work guarding "the government's fleet in Bedfordview". It doesn't clearly state that GNS was appointed by G-Fleet and did work for G-Fleet, (which is different from the Department). The MEC however makes it clear in paragraph 12.2 of the table above that the work was done for G-Fleet's office in Bedfordview.

- 14. The learned Press Ombudsman consider in the last paragraph of page 6 of his ruling, which continues on the 1st two (2) paragraphs of page 7, that G-Fleet's expenses should not be distinguished from that of the Department.

- 15. This is erroneous in law as the Appellant lead evidence that the Department, G-Fleet and UTF are separate entities, which evidence the Respondent accepted. The issues referred to by the Press Ombudsman is because G-Fleet is a trading entity of the Department. G-Fleet has it's own budget to comply with and is audited by the Auditor General separately from the books of the Department. Both the Appellant who is the former HOD and the MEC who has personal knowledge on the operations of the Department states that the 3 entities must be distinguished from one another. The learned Press Ombudsman therefore erred in raising defenses for the Respondent which the Respondent didn't allege or relied upon.

16. The Respondent's defense was that it quoted MEC Nkosi's replies. It is however as per paragraph 12 and 13 quoted **incorrectly**. This in itself is in breach with the press code.
17. If it is the Star's defense that it is quoting the MEC's replies it should at the very least print a correction that the last 4 paragraphs was quoted from the MEC's replies to legislature and that GNS rendered services to G-Fleet and UTF where applicable and where it refers to the GNS services to the Department that the learned Press Ombudsman found that GNS did in fact render such services.
18. The learned Press Ombudsman further errs in law in his ruling as he omits to set out reasons why UTF doesn't have to be distinguished from the Department.
19. In the event that the Press Ombudsman wished to investigate defenses the Star didn't raise in it's papers or at the hearing, it should have given the Appellant an opportunity to respond thereto. On 29 July 2011 after the hearing the learned press Ombudsman had further queries to the Appellant but he failed to include this specific query in same.
20. This failure is material as the question as to whether the Appellant should also be held liable for G-Fleet and UTF's expenses affects almost each of the Appellants complaints against the Star.
21. Kindly see paragraphs 27 to 29 below to be read herewith as if specifically inserted herein. The Star is obliged by the press code to print Buthelezi's view / personal opinion in it's rectification, and if it's article isn't truthfully accurate or fair to rectify same.

Ad paragraph 4 " Rendering same services"

22. The Honourable Press Ombudsman fails to deal with paragraph 38.4 of the Appellant's complaint dated 11 May 2011. In paragraph 3 of column 3 of the Star article it states " *It was a "giant rip-off" as the companies that replaced*

GNS, now known as Abalozi were doing the same work for about 24 million less a year". This is nonsensical as GNS changed its name to Abalozi, and one cannot state that the one entity is cheaper than the other entity as it is the same entity.

23. The learned Press Ombudsman states that he has no evidence that GNS and Abalozi is the same entity, when he in fact heard oral evidence from an employee that it is the same company.
24. Kindly refer to the Gauteng Legislature questions marked **5.TR081**.
25. Question (i) thereof states and I quote "*what function was performed by Abalozi security (previously GNS Risk Advisory Services....*"
26. The Star's defense was that it was quoting Bloom. Should one have regard to Bloom's article it is clear that the Star didn't quote Bloom correctly.
27. Section 1.10 of the press code requires that the press shall exercise exceptional care and consideration in matters involving the private lives and concerns of individuals, and Section 1.4 places a duty on the press to verify its details.
28. If the Star verified its case with Buthelezi prior to the publication it would in all likelihood published the MEC and Bloom's comments and Mr Buthelezi's response. Just because the Star printed its version without verifying it with the Appellant first, it doesn't mean that in its rectification it is released of the duty placed on it by the press code to state what the Appellant's version is. More especially as Section 1.5 of the Press Code states that a publication should seek the views of the subject of serious critical reportage.
29. Section 1.5 doesn't state that the press only has to seek the views of the subject if either the press or the Press Ombudsman has satisfied itself that such persons views are true beyond all probabilities. **According to the Oxford dictionary the word "view" means "a personal opinion"**, and that is all that is required in terms of Section 1.5.

30. The Appellant extensively in it's statement dated 11 May and in it's final submission dated 4 August 2011 explained:
- 30.1 what G-Fleet and UTF mandated GNS to do
- 30.2 The contract between G-Fleet and GNS is attached as **Annexure B** to it's complaint dated 11 May 2011.
31. Kindly refer to paragraphs 21 and 22 of Mr Buthelezi's complaint dated 11 May 2011. **Annexure B** has 2 legs to it. The one leg is the once off risk assessment comprehensive security strategy. It can be gleaned from **Annexure B** that GNS first put in place a proper security infrastructure for G-Fleet which entailed *inter alia* cameras, alarms, turn style, devices for main gate access control, electronic fencing and the like. The MEC refers thereto in paragraph 22.1 in the above table.
32. The second leg of the contract provides that certain ongoing integrated security services (kindly refer to pages 17 and 18 of **Annexure B**) would be provided for a period of 4 years which includes:
- 32.1 Ongoing vulnerability audit, advisory, training and implementation,
- 32.2 Ongoing investigative unit,
- 32.3 Ongoing monitoring and reaction unit
- 32.4 Ongoing information and management training.
33. The MEC refers to the continuous processes in 32.1 to 32.4 above in paragraphs 12.2 and 12.3 of the table above. It is unfortunate that he for the sake of it brevity summarises these services as "*guarding*". The only possible "*guards*" referred to in annexure B are the reaction agents referred to on page 18 of annexure B. It is therefore a very small part of the services rendered by GNS. Should you peruse page 18 it is clear that the personnel provided by GNS also include investigators, monitors, data analysts, experts and a variety of their senior personnel such as project directors and managers.

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Ad paragraphs 5 and 5.1 "GNS exorbitant, a giant rip-off"

36. There are 13 paragraphs in the Star article which deals with the alleged 50 million overspend. The Star article imputes and is understood by its readers that the Star quotes Mr Bloom's comment in paragraph 3 of column 3 who believes that GNS fees are a giant rip-off. Further that the Star in paragraph 1 of column 4 quotes MEC Nkosi's comments that GNS fees are exorbitant. In the remainder of the article the Star sets out reasons why it believes GNS to be exorbitant or an "overspend" as per its heading, and lists various grounds.
37. The Press Ombudsman deals with 2 out of 13 paragraphs that are attributed but fails to deal with the remainder of the article which must be attributed to the Star itself.
38. This is also in contradiction with the learned Press Ombudsman's finding referred to in paragraphs 2 to 3 above in which he finds that the Star didn't attribute the remainder of its article to a source in any way.

Ad paragraph 7.1 "GNS providing guarding services"

39. The Press Ombudsman fails to see the essence of the Appellant's complaint. The question is not what the meaning of guarding services are as aforesaid. The Star compares GNS prices to that of various third parties and show that GNS is more "exorbitant" and "a giant rip-off". For the Star to compare prices it has to compare apples with apples. Should the Press Ombudsman's views be accepted that GNS and the third party provided guarding service, the real question is if GNS was entitled to charge the fees it did for the services it rendered.
40. The MEC in 5.TR081 makes it clear that the third parties appointed were the cheapest guarding service that G-Fleet and UTF had on its rosters. Should one peruse **Annexure B,C1 and C22 and D** to the Appellant's complaint of 11 May 2011 it is clear that the services rendered by GNS is highly specialised integrated security services and asset surveillance with several

components, of which guarding is a small component. One can therefore not compare the services GNS rendered to that of the various third parties referred to.

41. It is clear that GNS also did work that had absolutely nothing to do with guarding like helping the various organs of state with inter alia facilitating the vetting of senior employees which can only be done by entities accredited by the national Intelligent Agency. Ensuring compliance with the MISS Act (Minimum Information Security Standards Act). Further compliance with the National key point Act of 1980, on research and classification of key projects, Compliance with the National Archives Act and the like.

Ad paragraph 8.1 "Failing to state"

42. The learned Press Ombudsman didn't apply his mind correctly as the Star doesn't allege anywhere in it's article that it was reporting on a legislative process.
43. This contradicts with pages 5 – 7 of the Press Ombudsman's finding quoted in paragraphs 2 to 3 above, in which the learned Press Ombudsman finds that not the whole article was attributed to the legislative process.
44. If Mr Buthelezi was contacted for his views he would have advised the Star that GNS rates were in accordance with the Department of Public Service and Administrations gazette rates. Further that the appointment of GNS and it's fees were audited by the Auditor General who didn't make any adverse findings. Furthermore that even MEC Nkosi in it's legislative replies stated that GNS charges were "*determined in advance and fixed for the period in which it were rendered*".
45. Kindly see paragraphs 27 to 29 above. The Appellant is entitled to ask that his views be printed. The Star in it's heading states "DA to sue after Gauteng ignores R50 million overspend", which if true would place a huge burden on tax payers and naturally would make the public concerned as to

whether there was an overspend or not. The Appellant's views and the rectification is of great public interest and for this reason should be printed.

46. In terms off Section 5.2.2 the Press Ombudsman has to dictate to the Star as to the correction, retraction, explanation and/ or apology that the Star has to print and not leave the contents of the rectification in the Star's discretion with some loose guidelines.
47. The learned Press Ombudsman's ruling also doesn't tell the Star by when they should publish the rectification.

Dated at Randburg on this the 23rd day of August 2011.



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ANNEXURE A

The newspaper says this information comes from Nkosi – an argument that again does not hold water (as argued above) as it is not attributed to him.

The question now is how to interpret the word “guarding”. Does this only refer to people in uniform, maybe carrying firearms, or could it also include other surveillance services?

I am opting for the latter – an ADT system, for example, can also be described as a guarding device or service. Besides, Buthelezi himself admitted that guarding by its officials was at least part of GNS’s work.

Failing to state

Buthelezi complains that the story does not state that the Auditor General did not make any adverse findings about the appointment and the costs charged by GNS.

The newspaper said at the hearing that it did not know this at the time.

I take into account that, from The Star’s perspective, it was merely reporting on a legislative process (although the story does not make this clear enough). I therefore am not going to blame the newspaper for not mentioning the Auditor General.

A. Finding*1. Failed to verify*

1.1 This part of the complaint is **dismissed** – the newspaper was under no obligation to ask Buthelezi for comment as it was merely reporting on a legislative process.

1.2 As The Star has indicated that it would apologise to Buthelezi for failing to ask him for comment, it is free to do so without such a direction from this office.

2. Culprit who illegitimately appointed GNS

2.1 This part of the complaint is **dismissed** as the story does not say or imply that Buthelezi illegitimately appointed GNS.

3. Overspent R50 million on GNS

- 3.1 The newspaper correctly admitted that the phrase “for overspending” in could be misleading and that it should have read “for authorizing”. This is **in breach of** Art. 1.2 of the Press Code that states: “News shall be presented in context and in a balanced manner, without any intentional or negligent departure from the facts whether by distortion, exaggeration or misrepresentation...or summarization.”
- 3.2 I was also unfair to create the impression that he was responsible for all the amounts that were mentioned later on in the story, as at least a part of the expenditures may well have been spent by somebody else after his initial suspension and later resignation (a period of eight months has elapsed between his suspension and the cancellation of GNS’s contract). This is **in breach of** Art. 1.1 of the Press Code that states: “The press shall be obliged to report news...fairly.”
4. *Rendering same services*
- 4.1 This part of the complaint is **dismissed** – one part of this complaint is attributed; I have no evidence regarding the other part to make a decision either way.
5. *GNS ‘exorbitant’, a ‘giant rip-off’*
- 5.1 This part of the complaint is **dismissed**, as both statements are attributed.
6. *No risk assessment*
- 6.1 The story states it as a fact that GNS did not do risk assessment – a statement that is not true, based on documentation at my disposal. This is **in breach of** Art. 1.1 of the Press Code that states: “The press shall be obliged to report news ... accurately ...”
7. *GNS providing guarding services*
- 7.1 This part of the complaint is **dismissed** as the concept “guard” can also refer to guarding systems and not only to people who do a guarding job.
8. *Failing to state*
- 8.1 This part of the complaint is **dismissed**. The newspaper was under no obligation to state that the Auditor General did not make any adverse findings about the appointment and the costs charged by GNS as it was merely reporting on a legislative process.

B. Sanction

1. The Star is **reprimanded** for:
 - 1.1 misleadingly stating that Buthelezi has overspent R50 million, instead of saying that he has authorized that amount;
 - 1.2 unfairly creating the impression that Buthelezi was responsible for all the expenditure that were mentioned towards the end of the story; and
 - 1.3 erroneously stating it as a fact that GNS did not do risk assessment.
2. The newspaper is directed **to apologise** to Buthelezi for the first two issues that it is reprimanded for.
3. The Star is directed to **publish a summary** of this finding (not necessarily the whole ruling) and the sanction. The story should put the matter in context and start with what the newspaper got wrong. It is then free to elaborate on the parts of the complaint that were dismissed.
4. Our office should be **furnished with the text** prior to publication.
5. Please add the following sentence at the end of the text: "Visit www.presscouncil.org.za (rulings, 2011) for the full finding."

C. Appeal

1. Please note that our Complaints Procedures lay down that within seven days of receipt of this decision, anyone of the parties may apply for leave to appeal to the Chairperson of the SA Press Appeals Panel, Judge Ralph Zulman, fully setting out the grounds of appeal. He can be reached at khanyim@ombudsman.org.za.

Johan Retief
Deputy Press Ombudsman

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Tracy Sischy

From: "ralph zulman" <ralphzulman@hotmail.com>
To: <tsischy@absamail.co.za>
Cc: <janet.smith@in.co.za>; <khanyim@Ombudsman.org>; <johanr@ombudsman.org.za>
Sent: 04 September 2011 06:55 AM
Subject: Application for Leave to Appeal SB Buthelezi/Independdnt Newspapers (Pty)Ltd

Leave to appeal is granted against the ruling of the Deputy Press Ombudsman delivered on 16 August 2011.

You will be advised shortly of the names of members of the Press Council Appeals Panel who will preside in the appeal hearing as well as the date and venue of the hearing.

Please acknowledge receipt.

Thank you

Judge Ralph Zulman
Chairman Press Council Appeals Panel
FAX: +27 11 880 2067
TEL: + 27 11 788 4160
CELL: 083 744 3399
EMAIL: ralphzulman@hotmail.com
P O Box 1833
Parklands
Johannesburg, 2121
SOUTH AFRICA

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Tracy Sischy

From: "ralph zulman" <ralphzulman@hotmail.com>
To: <tsischy@absamail.co.za>; <janet.smith@inl.co.za>
Cc: <petermann@meropa.co.za>; <ethel@executivemail.co.za>; <johanr@ombudsman.org.za>; <khanyim@ombudsman.org.za>
Sent: 11 September 2011 02:55 PM
Subject: Appeal Hearing Sibbusiso Blessing/The Star

1. The hearing of the appeal in the above matter will take place on Tuesday 18 October 2011 at 2.15pm at the offices of the Press Council, St Davids Place Parktown, Johannesburg
2. The members of the appeal panel will be myself as chairman, Mr Peter Mann and Ms Ethel Manyaka.
3. It will be appreciated if the parties file, by serving same on the panel members by email on or before 11 October 2011, CONCISE paginated heads of argument of the main points which they wish to argue.
4. Mr Retief is kindly requested to furnish copies of a paginated set of papers to the 3 panelists and to the representatives of the parties.
5. Please acknowledge receipt.

Thank you

Judge Ralph Zulman
Chairman Press Council Appeals Panel
FAX: +27 11 880 2067
TEL: + 27 11 788 4160
CELL: 083 744 3399
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Tracy Sischy

From: "Tracy Sischy" <tsischy@absamail.co.za>
To: "ralph zulman" <ralphzulman@hotmail.com>
Sent: 12 September 2011 08:48 AM
Subject: Tracy Sischy Attorneys

The Honourable Judge Zulman

We acknowledge receipt of your letter and will attend thereto.

Yours faithfully
 Tracy Sischy Attorneys
 44 Olympic Road
 Cnr Republic Road
 Blairgowrie
 Randburg
 Tel: 011 886 0242
 Fax: 011 886 1391
 Cell: 082 332 8072
 E-mail: tsischy@absamail.co.za

----- Original Message -----

From: ralph zulman
To: tsischy@absamail.co.za ; janet.smith@inl.co.za
Cc: petermann@meropa.co.za ; ethel@executivemail.co.za ; johanr@ombudsman.org.za ;
khanyim@ombudsman.org.za
Sent: Sunday, September 11, 2011 2:55 PM
Subject: Appeal Hearing Sibbusiso Blessing/The Star

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4. Mr Retief is kindly requested to furnish copies of a paginated set of papers to the 3 panelists and to the representatives of the parties.
5. Please acknowledge receipt.

Thank you

Judge Ralph Zulman
 Chairman Press Council Appeals Panel
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4.4 Project Risks

RISK	IMPACT	PROBABILITY	PROPOSED INTERVENTION/SOLUTION
Management may not be committed to the Project	L	M	Identify the root cause of non-commitment and implement interventions to address those. Continuous positive communication on the Project, benefits and encourage participation
Employees may not buy into the process due to lack of communication regarding the project.	H	H	Promote positive message of Vision and Service Excellence Orientation. Communicate that Project is aimed at improving people issues in the Department, which means improved working environment as well as improved customer relationships.
Poor response to the "AS IS" analysis by employees / sample task teams due to lack of communication and awareness	H	M	Communicate the message and it is intended to confirm the progress on the Projects undertaken since then, as well as to assist the Project team to identify specific departmental change issues so that they can be addressed in the departmental capacity building interventions.
Lack of buy-in from stakeholders	H	M	Communicate with stakeholders on the Project on an ongoing basis, identifying the benefits of the Project and the importance or necessity of the Project for the Department. Also remove misconceptions about the Project