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Mr T Godi
Chairman of Standing Committee on Public Accounts
SCOPA
Parliament

Dear Mr Godi,

RE: UPDATE ON THE CURRENT STATUS OF SITA-SAPS SERVICES AND SYSTEMS PROVIDED THROUGH FDA AND RELATED COMPANIES

A number of significant events have transpired in the past few weeks relating to the SITA-SAPS services and systems provided by Forensic Data Analysts (FDA) and/or other related Keith Keating companies. This letter aims to provide the facts and current state of affairs in order to keep all stakeholders abreast and enable different role-players in the discharge of their respective responsibilities.

This communication provides an update on the following points, summarised here as an executive summary:

- Factual background

  Through a media statement on 4 April 2018, SITA learned that FDA was planning a shutdown of PCEM and FPS systems due to non-payment by SITA and SAPS. The systems were indeed shutdown at midnight on the 4th. In addition, another system, VA-Amis, was also shut down, despite the fact that SITA had paid in full for the system and FDA or its affiliates had made no complaints of non-payment. Prior to that FDA had not initiated any formal legal proceedings against SITA for FPS payments. On 5 April 2018, SITA convened an urgent meeting with the National Commissioner in order to undertake a situation analysis of the impact of FDA's actions; plan, prepare and adopt contingency plans; and conduct detailed consultation and take advice from its legal team.

- Acts of sabotage by FDA and the SITA-SAPS response thereto

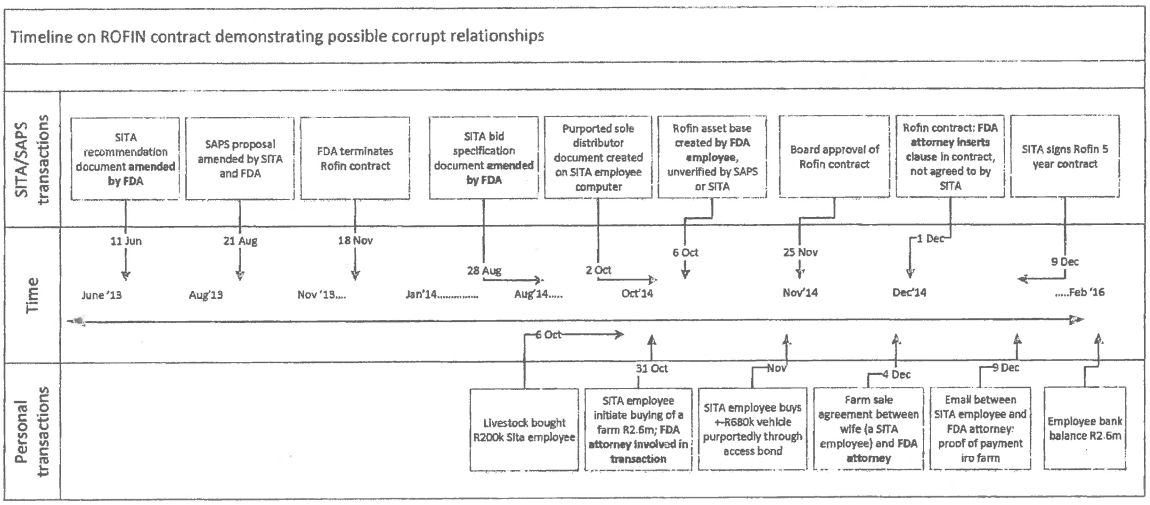
  During the restoration process the SITA team established that the PCEM system was injected with malicious software in the first week of April 2018, rendering the systems inoperable as from 5 April 2018. SITA and SAPS formed a joint technical task team and within three working days, two of the three systems were brought back into production.

- **Legal activities by the respective parties**

  On 9 April 2018, SITA and SAPS jointly lodged an urgent application in the High Court to compel FDA to restore the systems in an operation state. Due to the fact that PCEM and FPS were thereafter brought back into production by SITA, it was not rational to ask the court to grant relief which has already been satisfied. Amended papers were thus submitted on 12 April 2018, to secure the VA-Amis system.

- **Forensic investigation indicating corruption between SITA employees and FDA**

  The evidence is clear that FDA representatives had unlawfully and unprocedurally been part of the development of SITA's business cases and the drawing up of specifications in respect of the Rofin contract. Circumstantial evidence suggests that the central SITA employee, had entered into large personal financial transactions soon after the SITA Board approved the award of the FDA Rofin contract award in 2014, facilitated by the same attorney representing FDA at the time. The evidence also indicates that SITA employees had provided financial support, to one Andre Tiebert du Toit, a member of the Boeremag, who was convicted of high treason. This evidence was handed to the Hawks for full criminal investigation.



On 29 March 2018, five SITA officials were suspended and a another was suspended on 12 April 2018 on allegations of, inter alia, financial misconduct, conflicts of interest and corruption, identified during the FDA-specific investigation. Of the five officials suspended in March, two resigned immediately after receiving their letters of suspension. It is noteworthy that the FDA Notice of Termination of Services was served on SITA less than a week later.

- **Payments to FDA and a brief analysis of the value for money thereof**

  FDA Rofin invoices have been signed off over a number of years predominantly by the same individual mentioned above, based on a single line item stating the monthly maintenance fee. The Rofin equipment maintenance appears completely unreasonable. Using one example of a Nikon camera, with the estimated value of a Nikon D700 camera at the time of conclusion of contract in 2014 being in the region of R10,000.00, SITA would have been able to purchase between 7 and 8 new cameras over the same period, for the cost of maintaining a single unit.

  SAPS entered into a contract with FDA for the FPS system in 2005, buying perpetual licenses for R11,612,820.00, once off. The maintenance was then at the industry norm of around 10%

of the original purchase price. When SITA was requested to enter into the contract with FDA, the previously acquired perpetual licenses were "resold" to SITA at R9,133,363.00 per annum, with support and maintenance now at 122% of the new purchase price.

SITA is of the view that legal action should be pursued to recoup monies paid in terms of these contracts.

- Corrective action by SITA

  SITA has strengthened its control environment in respect of supply chain (with specific reference to sole suppliers), closer scrutiny by Internal Audit of sole supplier requests and the certification of invoices (enforcing a comprehensive checklist against contractual obligations by Lines of Business, through Accounts Payable).

- The current status of long term replacement of systems which keeps the State captured

  The Rofin contract was cancelled in March 2018. A feasibility study to replace the FPS system has been concluded and SITA has requested co-operation from SAPS to develop the system internally, thereby ensuring the sovereignty of the State. The VA-Amis system replacement through an open tender process is well underway. SAPS co-operation has been slow, but their project team members have now been confirmed. The PCEM system had not been reviewed by SITA to date, but will now form part of a complete review of the SAPS systems hosted by SITA, whether contracted via SITA or directly by SAPS.

Further detail pertaining to each point above is provided in support of the executive summary.

Detailed report

1. Interference with State criminal justice systems during the first week of April 2018

1.1. On 3 April 2018, FDA wrote a letter to the National Commissioner of the SAPS, stating that on 4 April at midnight, PCEM and FPS systems will be suspended without further notice. The letter demanded payment by SITA and SAPS and called for the Commissioner's personal intervention with SITA.

1.2. At midnight on 4 April 2018, FDA and/or ISS disabled the following systems for use by SAPS:

- the SAPS' Firearm Permit System ("the FPS");
- the SAPS' Property Control and Exhibit Management ("the PCEM system"); and
- the SAPS' Analytical Capabilities & Visualisation System ("the VA-Amis Solution").

1.3. SITA convened an urgent meeting with the SAPS at 8:00 on 5 April 2018, to action a multi-pronged reaction to these unlawful acts. The meeting jointly chaired by the National Commissioner and SITA CEO initiated joint legal action, a technical response team, a functional business continuity team, a review of the medium term replacement of the FDA systems and a team to review all SAPS systems with a view to free the State of any long-term reliance on sole suppliers.

1.4. After further detailed assessment, SITA wrote a letter to the National Commissioner on Friday 6 April, requesting him to execute his constitutional powers to intervene on the actions of FDA. In the absence of a response, SITA intervened as SAPS' agency to ensure that criminal justice systems are available to SAPS as soon as possible.

1.5. By late Saturday afternoon, 7 April 2018, SITA had not received any response from the SAPS. After considering SITA's legislative obligations, the urgency of the prevailing circumstances and with the support of advice from Senior Counsel, the CEO authorised the technical task team to commence with the reactivation of the PCEM system in particular.

1.6. Sunday 8 April 2018, the SITA technical team (comprising of software developers, systems administrators, security experts and cyber forensic specialists) were able to find and disable the injected malicious code which caused the PCEM and FPS systems to be disabled. The technical task team furthermore revoked access of the FDA/ISS system administrators via legitimate routes and prevented the use of illegal "backdoors" created by FDA, by Friday 6 April 2018. FDA tried to log on to the system on Saturday 7 April 2018, and failed.

1.7. By Monday morning 9 April 2018, the technical team had re-enabled the PCEM and FPS systems and these systems were available to the SAPS members for use.

1.8. The VA-Amis system has not been brought back into operation.

2. Legal Activities

2.1. Legal action by FDA on Rofin contract

2.1.1. On the 26th of February 2018, SITA sent a termination notice to FDA in terms of the Rofin contract. Immediately after the receipt of a termination notice, FDA addressed a letter

contending the validity thereof. Subsequent to the letter FDA approached the court on an urgent basis to demand payment of alleged outstanding amount and the declaration of the termination notice's invalidity.

2.1.2. SITA is currently opposing the application based on the following factors:

- the agreement was entered in violation of section 217 of the Constitution;
- the amount as per invoice and statement does not correspond with the service report;
- the services rendered do not fall within the ambit of the SITA Act;
- the existence of generally corrupt relationship between FDA and certain SITA employees; and
- current investigation which may, at a later stage, inform SITA to set aside the agreement.

2.1.3. The matter was in court on the 3rd of April 2018 and was postponed to allow FDA to file replying affidavit.

2.2. Legal action by SITA/SAPS pertaining to PCEM, FPS and VA-Amis systems

2.2.1. The legal steps followed, are summarised in the table below:

Date	Action
5 April 2018	Confirmation that systems are down
6 April 2018	Letter of demand to activate the three systems
7 April 2018	Response from FDA's legal representatives stating that they need to consult with their client and that SITA may approach the court
9 April 2018, 13:13	SITA&SAPS lodge urgent application
9 April 2018, 13:18	FDA offers to switch VA-Amis back on
9 April 2018, 18:22	Notice of removal from urgent roll sent to FDA (letter)
10 April 2018, 11:09	SITA sets out security protocol to be followed to switch VA-Amis back on, to FDA
10 April 2018, 11:17	Letter from FDA disputing the urgent matter removal
10 April 2018, 11:22	Formal removal notice sent to FDA
10 April 2018, 12:46	FDA accepted the switch-on, but declined the security protocol
11 April 2018	SITA/SAPS drafts the amended notice of motion and affidavit
12 April 2018	FDA sent a letter which necessitate further modification of the supporting affidavit
12 April 2018	Application in an amended form sent to FDA
12 April 2018	Proposed hearing date 23/04/2018

The above steps are set out in further detail below.

2.2.2. A letter of demand was issued to FDA on Friday 6 April 2018, demanding immediate activation of the three systems. FDA's legal representatives formally responded on Saturday 7 April 2018, indicating they required additional time to consult with their

clients and confirmed that SITA should proceed with other legal remedies available to them. We have to date not received a response in respect of PCEM and/or FPS.

2.2.3. Urgent application papers were then subsequently drafted by SITA's legal representatives over that weekend. On the morning of 9 April 2018, SITA and SAPS jointly lodged an urgent application in the High Court to compel FDA to restore the systems in an operation state.

2.2.4. With the technical team being able to deactivate the malicious code injected by FDA over the weekend, the application papers were amended accordingly.

2.2.5. Due to the malicious code identified in the PCEM system, SITA insisted on specific security protocol when engaging with FDA to restore the system, to avoid being injected to the system. The protocol was vehemently rejected by FDA. An urgent application for a court order to compel FDA to, under SITA's strict security terms and conditions, activate the VA-Amis system was lodged on 12 April 2018.

2.2.6. SITA and SAPS have instructed attorneys to initiate legal action to recoup amounts which should not have flowed to FDA and related companies. (Refer to paragraph 4)

3. Forensic investigation indicating corruption with SITA employees

3.1. The current status of employees who have been suspended or services terminated in relation to the FDA investigation is as follows:

Status	Number
Resigned	5
Suspended	5
Dismissed	3

3.2. Detailed evidence is available around the establishment of the Rofin maintenance contract in 2014, dating back from the initiating thereof in 2013.

3.2.1. Some of the pertinent evidence indicating a corrupt relationship between SITA employees and FDA is as follows:

Date/Period	Description of Event
9 April 2013	RC/SRC Resolution: Refers back the establishment of contract to procure and maintain "SAPS Forensic" equipment – Instructing SCM to *"test the market for alternative competing products through the process provided for in National Treasury Regulations and/or Practice/Instructions Notes"*
11 June 2013	Submission to PC – Recommendation to procure maintenance and support of Rofin equipment from FDA worth R480,028,318.88 (VAT Inclusive). Last amended by *"MkhuseliC"* (SITA SCM)
2 July 2013	Submission to PC – Recommendation to procure, maintain and support of Rofin equipment from FDA worth R470,427,752.50 (Excluding VAT). Last amended by *"Christo Christo De Bruin"*

Date/Period	Description of Event
	(FDA Executive)
21 August 2013	Rofin Maintenance and Support quote for Brig Ansie Knight with four options, 1 year, 2 years, 3 years and 5 years. Created by Christo De Bruin and last amended by Keith Keating
21 August 2013	SAPS motivation for acquisition, maintenance and training of Rofin *"forensic products"* from FDA – Created by Banie Venter and last amended by Christo De Bruin (FDA Executive) used for SAPS procurement purposes. The relationship between Rachel, Banie and Ansie Knight extends beyond SAPS/SITA in that they share a helper and communicate ito a contract for the said shared service.
18 November 2013	Rofin R153m (12 month) contract emailed from Christo De Bruin of FDA to SITA SCM officials. Termination clause 3.1 consistent with previous versions and SITA template. Document emailed from christo.debruin@sizwegroup.co.za, but he lists his position as *"FDA AFRICA – Executive Consultant"*
12 August 2014	Banie Venter purchases a Land Cruiser 79 – No finance documentation can be found, but in interviews Rachel Venter confirms payment in cash from residential bond of R500,000.00 used (no docs for same found and/or provided after request for same)
15 August 2014	SAPS SCM letter to SITA SCM – Instructing SITA to *"publish a new contract"* and requiring the requirement/application to be placed before the SAPS BAC for consideration before 29 August 2014
28 August 2014	Bid Spec Committee document – *"Invitation for competent service provider (herewith referred to as "bidder") to submit proposal for the maintenance and support of ROFIN crime scene processing solution for a period of three (3) years"*, which is last modified by Sarel Naude, former SITA employee and FDA employee at the time of amending the said document. Document clearly in response to SAPS letter dated 15 August 2014
August to December 2014 (and earlier)	Sixth contract renewal/extension discussions, negotiations and procurement processes ito Rofin Maintenance and Support to SAPS by SITA
2 October 2014	Venter forwards Dries Van Rooyen sole supplier documentation/certificates, which appears to have been manufactured on Venter's computer, given that the signatures on the Scene Works (Spheron 360 Cameras) and Rofin Australia letters are found in electronic format on Venter's computer in

Date/Period	Description of Event
	a folder together with the "final" certificates, which was then deleted. Furthermore, the documents themselves show clear indications that the logos have also been inserted, rather than a company letterhead used.
October 2014	Venter uses FDA created asset base lists, as well as performance data for reporting to SAPS, without any supporting information, and provides same to SAPS ito a new contract extension request (No independent verification of data, performance stats, assets and related information is ever done by SITA, Venter or his subordinates, until January 2018 when questions are being asked about how invoices are paid)
3 October 2014	Venter compiles and signs the Business Case requesting the extension of the FDA contract for the supply of Rofin Maintenance and Support. In May 2013 the SRC resolved to exclude the Nikon products siting the excessive costs relating to such maintenance versus the replacement of same, however, Venter includes these products for maintenance and support under the "new" extension and the said resolution is removed from the records.
6 October 2014	Venter and Hennie Kleynhans (SITA employee and business partners) purchase R200,000.00 worth of cattle, for which Venter pays R100,000.00
6 October 2014	Banie Venter confirms to SAPS official (Bokkie Buys) that statistics and equipment lists used in SITA's business case for the R583m Rofin/FDA extension is FDA based information.
Various dates in October 2014	Venter starts negotiating the purchase of a farm worth R2.6m
29 October 2014	Banie and Rachel Venter apply for ABSA homeloans, one for R1,003,700.84 and the second R319,382.00 which is well below the purchase price of the Arbeidsgenot Farm (R2.6m)
31 October 2014	Banie and Rachel Venter secure the legal services of Christoff Loch, from Charle Rossouw Attorneys, ito the facilitation of the Arbeidsgenot Farm sale/purchase. Loch is at the same time party to the R583m Rofin contract extension representing FDA
7 November 2014	Loch emails the Arbeidsgenot Farm R2.6m sale agreement, which he has amended, to Banie Venter. The purchaser is listed as Prospecto Consulting CC. Rachel Venter is the sole member of the said CC and the domicile for the purchaser is listed as the address of Charle Rossouw Attorneys.
November 2014	Venter is in direct negotiations/contact/communications with FDA/Keating/Christo De Bruin ito the extension, approvals and

Date/Period	Description of Event
	contract documentation related to the Rofin maintenance and support contract extension.
25 November 2014	Board approves FDA to provide maintenance and support of SAPS Rofin, Spheron and Nikon equipment on a month-to-month basis for a period of five (05) years from 01 December 2014 to 30 November 2019
30 November 2014 (Sunday at 8:21pm)	Venter forwards Christo De Bruin the R153m (12 month) version of the FDA/SITA Rofin contract in Word format. The *Termination* clause is consistent throughout the preceding contracts, in which either party can terminate the contract with 30days written notice.
1 December 2014 (Monday)	Keating sends Carl Masekoameng, from SITA SCM, the 5-year Rofin maintenance and support contract extension, highlighting changes to dates, amounts and period (in yellow) in the contract document, but also makes changes to the *Termination* clause without highlighting same. The last amendment is made by Christoff Loch, FDA and Venter's attorney. The termination clause now includes reference to *"acceptance"* of the termination by the other party
3 December 2014	Rachel Venter emails Loch and Banie Venter the signed sale agreement for the purchase of the Arbeidsgenot farm (R2.6m). Mrs Venter signs the contract on 23 November 2014, with the seller signing on 2 December 2014. Later Perspecto Consulting CC financials list both Venter's as having a 50% share of the assets of the said company)
4 December 2014	Loch confirms receipt of the signed Arbeidsgenot farm sale agreement from Rachel Venter
9 December 2014	CEO signature of contract with FDA to provide maintenance and support of SAPS Rofin, Spheron and Nikon equipment on a month-to-month basis for a period of five (05) years from 01 December 2014 to 30 November 2019
9 December 2014	Venter signs the SLA for the R583m FDA Rofin Maintenance and Support contract extension, which Loch amended on behalf of FDA/Keating
9 December 2014	FDA's Financial Director, Carina Zeilinga, signs both the SLA and contract for the FDA/Rofin maintenance and support R583m contract extension
9 December 2014	Loch emails Banie Venter Charle Rossouw Attorneys trust account details
9 December 2014	Rachel Venter sends Banie Venter an ABSA Bank POP for R100,000.00 to C Rossouw Attorneys (Loch's practise) and the

Date/Period	Description of Event
	reference is given as "*Banie Venter*". However, we note that Banie Venter's "main" banking accounts are held with FNB
10 December 2014	Loch confirms receipt of the R100,000.00 deposit for the farm and issues a statement from Charle Rossouw Attorneys
22 December 2014	The former SITA CEO, Freeman Nomvalo, signs the FDA R583m contract
28 February 2015	Venter's FNB IT3B identifies that notwithstanding the previous significant "purchases" made, Venter has R670,533.53 in his cheque account, R1,956,601.98 in a 7-day notice account and -R145.00 on his credit card
11 November 2016	Rachel Venter sends Banie Venter Perspecto Consulting CC's annual financial statements, wherein the asset base of the company is listed as R2.6m in the form of "*Land*" and the loan accounts "*Owning to related parties*" is listed as R1,334,778.00 each for both Rachel and Banie Venter.

An evidence bundle was handed over to the Hawks on 9 April 2018.

3.2.2. The evidence also indicates that SITA employees had provided financial support, to one Andre Tiebert du Toit, a member of the Boeremag, who was convicted of high treason. Similar investigations are underway pertaining to the establishment of the FPS and VA-Amis contracts. SITA believes that SAPS is also conducting a similar investigation pertaining to the establishment of the PCEM investigation.

4. Payments to FDA and an analysis of the value for money thereof

4.1. **FDA: Rofin, Nikon and Spheron Contract** (Equipment maintained: MOA 3 for the period 1 December 2014 to 30 November 2019)

4.1.1. The maintenance contract awarded to FDA, effective 1 December 2014, lists the following items and unit numbers for which maintenance and support is to be provided:

Item description	Items	Units	Unit Price (Including VAT) (R)	Total (Including VAT) (R)
Poliview + PoliTrolley	6	145	18,186.27	2,637,009.41
Polilight PL500 UV-VIS	1	90	2,771.25	249,412.39
Polilight PL500 UV-VIS- IR	1	54	2,771.25	149,647.44
PoliRay	2	100	831.38	83,137.92
PoliFlare Plus	9	1348	2,291.96	3,089,560.19
Nikon D700	4	618	1,266.57	782,742.86
Spheron SceneCam	4	56	24,291.11	1,360,302.08
SceneCam SW	1	163	3,903.30	636,238.39
Cyano Fuming Tent (Fumer Unit only)	2	31	6,908.29	214,156.87
V++	1	340	921.55	313,328.09
IDEM	1	628	326.96	205,333.02
	32	**3573**		**9,720,868.65**

4.1.2. In terms of the SLA signed between SITA and FDA, the above service offering is to provide SITA and SAPS with a mechanism to maintain the Rofin, Spheron and Nikon products within the following maintenance categories:

- Preventative or Routine Maintenance
- Hardware maintenance and support (Breakfix)
- Loan equipment
- Technical Support Services

4.1.3. All four of the above maintenance categories are calculated on a total fixed monthly cost per unit item, as set out in the table above. Therefore, and by way of example, the Nikon D700 cameras are maintained at a cost of R1,266.57 per unit per month. It must, however, be borne in mind that although the above maintenance costs are recovered on a monthly basis, actual physical maintenance on each unit is only carried out four times per year (some documents indicate bi-annual maintenance). SITA had not verified that the maintenance was in fact carried out four times a year on all items that FDA charge for. Nonetheless, SITA paid monthly fees on all equipment, whereas contractually it should have been either 1/6 (bi-annually) or 1/3 (quarterly) of what was paid in total.

4.1.4. Over the five year duration of the contract the total cost, for maintenance only, equates to R75 994.20 for each of the 618 Nikon D700 cameras (not including CPI increases which were affected).

4.1.5. Given that the estimated value of a Nikon D700 camera at the time of conclusion of contract in 2014 was in the region of R10,000.00 (based on enquiries with the distributor, Premium Brand Distributors) SITA would have been able to purchase between 7 and 8 brand new cameras over the same period, for the cost of maintaining a single unit.

4.2. FDA: Firearm Permit System ("FPS")

4.2.1. The below table reflects the maintenance and license fees charged by Waymark and FDA per month. From the table below, the % maintenance fee increased from 10.57% (of the license fee) during 2005/2006 to 122.23 % of the license fee during 2016/2017.

Contracting entities	Period	Contract description	License fee (R) incl. VAT	Maintenance fee per year (R) incl. VAT	Maintenance percentage of fees (%)	Total per annum (R) incl. VAT
Waymark and SAPS	27 September 2005 – 26 September 2006	Firearm Permit System License Agreement	11,612,820.00 (once off) Perpetual licenses	1,227,410.00	10.57	12,840,230.00
FDA and SAPS	Unknown - October 2016	Month-to Month basis (no contract)	Unknown	Unknown	Unknown	Unknown
SITA and FDA	18 October 2016 – 31 October	The maintenance and technical	9,133,363.65 (annual fee)	11,163,981.38	122.23	20,297,345.03

Contracting entities	Period	Contract description	License fee (R) incl. VAT	Maintenance fee per year (R) incl. VAT	Maintenance percentage of fees (%)	Total per annum (R) incl. VAT
	2017	support of the SAPS FPS				
SITA and FDA	No contract signed, 3 year appointment		10,425,000.00 (annual fee)	12,741,666.59	122.23	23,166,666.60

4.2.2. **Proposed FPS contract extension for the period 1 November 2017 to 31 October 2020**

4.2.2.1. In support of the proposed contract extension (contract not signed by SITA) for the period 1 November 2017 to 31 October 2020, FDA was requested to provide SITA with a breakdown of the resources for the maintenance and support cost (annual cost). Kobus Rossouw (Client Accounts Executive, FDA), copying Keith Keating, sent an email to SITA on 26 October 2017 attaching a "Resource Breakdown". FDA justified the cost by purporting to provide SITA with the 11 resources at rates varying between R800 and R1250 per hour, at a total cost of R12,741,666,59 per annum.

4.2.2.2. However the SITA/SAPS FPS Program Manager, in a sworn affidavit, stated that he was only ever provided with the time for two full time FDA resources (being Marize Grobler and Frans Labuschagne) allocated to the FPS system. Since FDA's contract with SITA, he only ever signed off on the time and cost for these two resources. The remainder of the resources and their respective costs, therefore remains unaccounted for. Excluding the "Annual Charge" of R894,786.59, the unaccounted for costs for the remainder of the resources comes to R7,797,618.00 per annum.

5. Corrective action by SITA

5.1. Both the Board and the Executive Procurement Committees apply scrutiny over sole suppliers, but will also request supporting evidence of the decision to accept sole supplier status in approving the award.

5.2. Transactions above R10 million are already subjected to an Internal Audit review to determine if the appropriate procurement process was followed. Internal Audit has updated their audit programme to pay closer scrutiny to the evidence in support of sole sourcing.

5.3. The SITA Internal Audit programme currently subjects all vendors to a test where directors are verified not to be employees, as well as verifying that employees involved in the procurement process are not directly associated with the bidder. We have requested SAPS to perform the same test prior to tasking SITA.

5.4. A detailed payment checklist has been developed to evaluate payments against, as proof of services having been rendered. The same principle will be applied to all ongoing

maintenance services where the risk exist that delivery of services are assumed rather than verified.

5.5. The Application Maintenance team has been tasked to review all existing application against the risks of sole supplier, IP belonging to the supplier and the State being completely dependent on the supplier. SITA's business model will not allow for the intellectual property of bespoke applications to reside with a single supplier.

6. Current status of long term replacement of FDA systems which keeps the State captured

6.1. Short term – stabilise the environment without FDA

6.1.1. Support and maintenance of the FDA systems need to be established internally in SITA.

6.1.2. Malicious code which has since been deactivated by the technical team, needs to be completely removed and the applications assessed for "dead-man switches" which may have a future date.

6.2. Medium term - Complete redesign of the systems

6.2.1. The Firearms Permit System (FPS) contract expired on 31 October 2017 and the follow-up award on 31 October 2017 was never formalised through a signed contract, in view of the many questions regarding the procurement process. Our legal advice is that FDA is currently providing services on a month-to-month basis and that SITA can terminate on 30 days-notice. The feasibility study to evaluate other alternatives has been completed and cooperation from SAPS requested.

6.2.2. The VA-Amis had been identified for re-evaluation as far back as May 2017. A feasibility study initiated then, has now resulted in a successful Request for Information (RFI) process in the open market, with SITA targeting to replace the system in the next year. The project plan shared with the SAPS indicates that a decision on the underlying software is to be made by May 2018.

6.2.3. A review of PCEM has now been initiated, but SITA is awaiting SAPS functional experts in this regard, as the contract had never been with SITA.

We trust that the above provides you with the necessary information to enable the appropriate oversight. We continue to drive the anti-corruption mandate in the face of major adversity to the clean up process.

Yours sincerely

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Chief Executive Officer
Dr Setumo Mohapi