**National Assembly**

**Question No 3389**

**Mrs N J Nolutshungu (EFF) to ask the Minister of Transport:**

What is the update on the investigation of the 3 000 ghost workers who were on the payroll of the Passenger Rail Agency of South Africa?NW4197E

1. **REPLY**

Project Ziveze was launched 10 months ago by the Board of Control (BoC) to specifically verify all PRASA employees, after material irregularities were uncovered within PRASA’s Information and Communication Technology (ICT) systems, Human Capital Management (HCM) system and payroll system. The scope of the project also extends to validating whether the employment of foreign nationals is in line with the provisions of the law.

Operation Ziveze is structured in 4 (four) phases, and remains work in progress being undertaken through a combined effort by PRASA’s Research Unit, Protection Services and Human Capital Departments. All reports are handled at a single point of reporting to the BoC.

Phase 1 entailed a voluntary verification exercise which served as a dip stick for the next phase. Phase 2 entailed a more detailed analysis of the data gathered in Phase 1. Phase 3 entails digital verification of fingerprints, ID documents and passports by the Department of Home Affairs. Phase 4 is the last phase where a comprehensive report will be produced that contains actionable recommendations for implementation.

During Phase 1, all employees were invited on a voluntary basis to come forward to be verified with copies of their ID Documents, qualifications and the Human Capital Management (HCM) Employee Data forms. It was further emphasised that those who failed to present themselves for verification would have their salaries frozen. During this Phase, out of the seventeen thousand two hundred and sixty-eight (17,268) recorded employees on PRASA’s payroll system, fourteen thousand two hundred and sixty-eight (14,268) employees presented themselves for verification. During the same period, one thousand one hundred and fifty-nine (1,159) employees resigned.

Failure by three thousand (3,000) employees to come forward for physical verification led to suspicions that there could be a number of ghost employees at PRASA. A clean-up exercise by the PRASA BoC then ensued to establish whether these were indeed ghost employees as part of their efforts to tighten internal controls. Services of an independent service provider were commissioned to establish if these were indeed ghost employees, and to identify weaknesses in the PRASA systems as well as identifying culpable officials who may have colluded with unscrupulous people to create ghost employees where this was found to be the case. The investigation was conducted with the support of Home Affairs, the South African Revenue Service (SARS), Umalusi, and the South African Qualifications Authority (SAQA).

The investigation flagged two thousand one hundred and forty-three (2,143) employees, who were then grouped according to the following categories: -

1. Possible ghost employees who could not be physically verified;
2. Employees masquerading as somebody else, thus possible identity theft;
3. Fraudulent qualifications submitted; and
4. Employees with serious criminal offences.

The preliminary investigation revealed that one thousand four hundred and eighty (1,480) employees either cannot be physically verified and their files or documentation are non-existent, while others resigned without the necessary supporting documentation at the start of the project.

The investigation also revealed a number of instances where ID photos do not match the face of employees. This has triggered further investigations. The investigations concluded that the root cause of these findings are: -

(a) Incorrect data capturing of employee information, resulting in a corrupted employee database;

(b) Weaknesses in the PRASA’s ICT systems; and

(c) Weaknesses in PRASA’s internal control environment.

The undertaking of this project was affected by a number of challenges which necessitated additional interventions, and involvement of other state organs. These include the following: -

(a) Resistance by employees whose fingerprints and photo ID verifications raised red flags;

(b) Missing paperwork in respect of a number of employees;

(c) Received files with evidence of tampering;

(d) Evidence of collusion by officials within PRASA’s Human Capital Management Department; and

(e) Threats against the safety of people working on the project.

As a consequence of the developments to date, the next steps include taking urgent action to address the findings and challenges identified to date. These include: -

(a) A forensic investigation that will conduct a deep dive on critical issues flagged in the preliminary investigation;

(b) A Digital fingerprint and Photo ID verification process with the assistance of the Department of Home Affairs. This exercise is currently underway. The completion of this exercise will then enable PRASA to freeze the salaries of those flagged;

(c) Digitisation of files and supporting documents;

(d) Clean up of the employee database;

(e) Employees who submitted fraudulent qualifications will be served with letters to explain themselves, failing which stricter action will be taken in line with the applicable prescripts; and

(f) Criminal charges will be laid against those who have committed fraud, including recovery of funds from those who left the Organisation and are traceable through initiatives of the law enforcement agencies.