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## STATEMENT OF NORMAN ARENDSE

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1. I am a senior advocate currently practising as a member of the Cape and Johannesburg Bars. I have practised as a member of the Bar since 1989 and held silk (senior counsel) status since 1998.
2. I have held the position of director of Cricket South Africa from 2004 to date.

### **The tender**

3. During 2008, I chaired the Adjudication Committee ("**AC**") appointed by the CEO of the South African Social Security Agency ("**SASSA**") to adjudicate on the award of the Payment Service Tender number 19/06/BS ("**the Tender**"). The Tender related to the appointment of service providers to render the payment of social grants to qualifying beneficiaries on behalf of SASSA in all provinces of South Africa.
4. SASSA had issued a Request for Proposals ("**RFP**") in respect of the Tender on 23 February 2007. Nine bids were received in response to the RFP.
5. The process followed in considering the award of the tender is set out in brief below.
6. A Bid Evaluation Committee ("**BEC**") was appointed by the CEO of SASSA to evaluate bids submitted in response to the tender and to make a

recommendation to the CEO on the appointment of a service provider for each of the nine provinces in South Africa in respect of the Tender. The BEC was tasked with considering which bids should be disqualified on the basis of non-compliance with the RFP and thereafter assessing the remaining bids in light of their technical proposals, evaluating and verifying their claims in respect of preferential points in terms of the Preferential Procurement Policy Framework Act<sup>1</sup> (“**PPPFA**”) and, only then, considering the financial proposals of each bid.

7. The Adjudication Committee which I chaired, and which was also appointed by the CEO of SASSA, was required to review the findings and recommendations of the BEC and advise the CEO of SASSA on the appointment of a service provider for each of the nine provinces.
8. On reviewing the recommendations made by the BEC and following extensive engagement with the BEC in respect of its recommendations, the AC was unanimously of the view that not one of the strategic objectives of the Tender was met by any of the recommendations made by the BEC. This is reflected in the report made by the AC to the CEO of SASSA, in which the AC states that the strategic objectives were not met in that the payment services offered by the tenderers:
  - 8.1 did not provide standardised payment services;
  - 8.2 were offered via merchants and were thus not safe and secure for beneficiaries;

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<sup>1</sup> The PPPFA requires organs of state to adopt a preferential procurement policy in terms of which a points system is used in the awarding of contracts and in terms of which points may be allocated for specific goals which may include contracting with persons or categories of persons who have been historically disadvantaged by unfair discrimination.

- 8.3 were not cost effective;
  - 8.4 did not transfer maximum risk to the private sector; and
  - 8.5 were not in line with principles of the Black Economic Empowerment.
9. Once the AC had completed its deliberations, a meeting of the AC was arranged for Monday, 22 September 2008 at which I would present the final report to the members for their consideration. I intended to finalise the report during the course of the preceding weekend which I in fact did.
  10. In light of the concerns which the AC had expressed during its deliberations, the AC recommended to the CEO of SASSA that no award should be made in response to the Tender. This was communicated to the CEO of SASSA in the final report dated 25 September 2008, a copy of which is attached marked "**A**".

### **The attempted bribe**

11. Prior to finalising the AC's report to the CEO, I received a telephone call from a certain Mr Gideon Sam ("**Mr Sam**"), the President of the South African Sports Confederation and Olympic Committee ("**SASCOC**"), who requested a meeting with me in order to discuss a "*sports matter*" and a "*business opportunity*". I recall that Mr Sam sounded quite anxious to meet with me. Mr Sam is a person well-known to me through our respective positions in various South African sporting bodies, particularly his position as the president of SASCOC, my position as a director of Cricket South Africa and through our mutual involvement in the development of the Newlands Aquatic Centre. Accordingly, I agreed to meet with him at my chambers on Sunday, 21 September 2008.

12. At the meeting on 21 September, Mr Sam began the discussion by outlining the “*sports matter*” which he ostensibly wished to discuss with me, which related to the creation of a sports trust to be established for the benefit of both development and elite sports persons. After approximately 15-20 minutes of discussing the sports trust matter, Mr Sam turned his attention to another matter entirely distinct from the sports trust matter. I gained the impression that this second matter was what Mr Sam had really come to see me about. The second matter related to the social grant tender referred to above. As mentioned above, I was at this stage involved in the finalisation of the draft report of the AC.
13. Mr Sam appeared to be very aware of the tender process although he did not mention the names of persons or any details of the bidders or potential bidders.
14. Mr Sam advised me that he had been approached by Cash Paymaster Services (“**CPS**”) since he knew me “*pretty well*” and that I would be “*more likely*” to listen to him. He described himself as a “*consultant/lobbyist*” for CPS and said that he had an open chequebook. I understood this to mean that Mr Sam wanted to bribe me to ensure that CPS was awarded the contract. There was no question in my mind what the purpose of his approach was. I became distinctly uncomfortable when I realised what he was referring to. He then said that if I thought he was out of line to raise this issue with me I should say so. I immediately told him that it was not appropriate to discuss this issue and I told him that he should leave. I said, “*Just leave my chambers. You have a cheek, and you have abused your knowledge of me.*” I immediately called my secretary to dictate an account of the event. Unfortunately my secretary has,

since the incident, replaced her computer and, despite a diligent search, has been unable to locate a copy of the memorandum which I dictated.

15. Due to the highly sensitive nature of the Tender, very few people were aware of the timing of the AC's meetings and deliberations in relation to the Tender, and I found it very suspicious that Mr Sam knew both that I was finalising the report that night and that the adjudicators were to meet in Cape Town the next day.
16. I was deeply distressed by the events of the afternoon of 21 September 2008 and reported it to the AC when we convened to deliberate the following day.
17. On reporting the matter to the AC the following day, it was resolved that I should address a letter to the CEO of CPS, Dr Serge Belamant ("**Belamant**") setting out the details of the approach made to me by Mr Sam and providing an opportunity for Belamant and/or CPS to comment on the incident. I attach, marked "**B**", a copy of the letter dated 23 September 2008 which I addressed to Belamant.
18. The AC resolved that it would not be necessary to report the incident to the Department of Social Development as the Director General of the department, Vusi Madonsela, was a member of the AC and was therefore privy to my disclosure to the AC.