

**VETTING AS A TECHNIQUE TO INVESTIGATE EMPLOYMENT FRAUD IN THE CITY OF
JOHANNESBURG**

By

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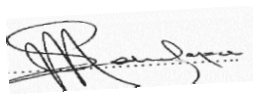
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DECLARATION OF AUTHENTICITY

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I, Andries Mahalefa, hereby declare that this dissertation, titled *Vetting as a Technique to Investigate Employment Fraud in the City of Johannesburg*, for a Master's Degree, is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references in the text and in a List of References. I also declare that this work has not previously been submitted to another institution of higher education.



Andries Mahalefa

Signed at Pretoria on this day of
20.....

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I recognise the highness of the Almighty God, for providing me with the strength to meet this research head-on without giving up. This is my pledge that I will always stay in the house of God.

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TO GOD ALMIGHTY THE GLORY!

ABSTRACT

The research study covers the following topic “Vetting as a Technique to Investigate Employment Fraud in the City of Johannesburg Metropolitan”. The researcher intends to evaluate the current procedures which are used in the process of forensic vetting as employment fraud investigation method in CoJ. Furthermore, to build the ground work for potential future innovation, problem solving, decision making and proper planning of the use of forensic vetting as employment fraud investigation method.

The researcher applied the qualitative approach throughout the research because qualitative involves interaction between the researcher and the subject that was identified as a problem that concerned CoJ

The researcher had selected ten (10) forensic investigators to partake in this study. The total population to be interviewed and collect data from was considerable and appropriate for evaluating forensic vetting as an employment fraud investigation method. The researcher used purposive sampling to choose the participants for this research.

It was found that every individual within an organ of the State must be subjected to the vetting process. It was further found that the institutions in governmental, organs of the State and private spheres must adopt the forensic vetting practice to minimize fraudulent activities in their organizations.

KEY TERMS

Forensic Investigation

Criminal Investigation

Fraud

Pre-employment screening

Profiling

Vetting

Intelligence

Human Resources Investigation

LIST OF ABBREVIATIONS AND ACRONYMS

ACFE:	Association of Certified Fraud Examiners
AGAG:	Australian Government Attorney General
AG:	Auditor General
CI:	Counter-intelligence
CIC:	Commander in Chief
CRA:	Customer Relation Agent
CCTV:	Closed-circuit Television
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CoJ:	City of Johannesburg
DA:	Democratic Alliance
DDI:	Due Diligence Investigator
DNA:	Deoxyribonucleic acid
DV:	Developed Vetting
EFF:	Economic Freedom Fighters
EMPD:	Ekurhuleni Metro Police Department
FBI:	The Federal Bureau of Investigation
FIC:	The Financial Intelligence Centre
FNB:	First National Bank
FLINTS:	Forensics-led Intelligence System
GAAP:	Generally Accepted Accounting Principles
GFIS:	Group Forensic and Investigation Services

HEDD:	Higher Education Degree Data-check
HNWI:	High Net-Worth Individual
INTERPOL:	International Police
HR:	Human Resources
IT:	Information Technology
JMPD:	Johannesburg Metro Police Department
KPMG	Klynveld Peat Marwick Goerder
KYC:	Know Your Customer
LAPD:	Los Angeles Police Department
LCRC:	Local Criminal Record Centre
MD:	Managing Director
MISS:	Minimum Information Security Standard
MIS:	Management Information System
MoU:	Memorandum of Understanding
NIA:	National Intelligence Agency
NKP:	National Key Point
NPA:	National Prosecuting Authority
NIS:	National Strategic Intelligence
NQF:	National Qualification Framework
PAYE:	Pay as You Earn
PhD:	Doctor of Philosophy
PMG:	Parliamentary Monitoring Group
POCA:	Prevention and Combating of Corrupt Practice (Act)

RSA:	Republic of South Africa
RTMC:	Road Traffic Management Corporation
SA:	South Africa
SANDAF:	South African National Defence Force
SAFLII:	Southern African Legal Information Institute
SAPS:	South African Police Services
SSA:	State Security Agency
SARS:	South African Revenue Services
SANDEF:	South African National Defence Force
SABC:	South African Broadcasting Corporation
SAQA:	South African Qualification Authority
TSA:	Transportation Security Administration
TMPD:	Tshwane Metro Police Department
UCT:	University of Cape Town
UI:	Undercover Investigator
UJ:	University of Johannesburg
UN:	United Nations
UNDP:	United Nations Development Programme
UNISA:	University of South Africa
UP:	University of Pretoria
VSF:	Venda Mutual Bank
VO:	Vetting Officer
ZACC:	Zimbabwean Anti-Corruption Commission

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CHAPTER 1: GENERAL ORIENTATION

1. INTRODUCTION.

Merriam (2009:59) claims that it is impossible for one to start a journey of life by just walking out of his apartment or roaming around the town without an idea of where to go or how to get there, as well as the purpose for the trip. In other words, it is a fruitless exercise to embark on a research expedition without first identifying a research problem, the aims of the research and of course, the purpose of the research. (Merriam, 2009:59) further indicates that a problem in the expected sense is a matter that connects doubt, improbability or difficulty; it usually seeks a solution, to clear up mind, to make a final decision, and to deliver the proper judgement. On the same subject, (Merriam, 2009:59) states that by clarifying the research problem, one should move from a general understanding of a situation to a specific statement of a research problem; in fact, one should translate one's general interest into a problem that can be addressed by means of research.

This study proposes to evaluate forensic vetting as a technique to investigate employment fraud (irregular appointment) in the City of Johannesburg's (CoJ's) Municipality. The researcher is of the view that forensic vetting could be proactive or reactive. It could be used by investigators to investigate the employment fraud that is under investigation, and to detect employment fraud before it occurs.

1.2 Problem Statement

During 2014 to 2015 the researcher noticed that CoJ had experienced a number of cases of employment fraud during the appointment of candidates as well as irregular appointments of service providers at its various departments. There were anonymous complaints telephoned in to Deloitte, some walk-ins, and management request. The problem that the researcher identified was that the applicants had used fraudulent qualifications and manipulated their curricula vitae (CVs) to apply for positions at CoJ and the service providers does not have proper credentials that qualifies them to be awarded with tenders.

After these fraudsters have been permanently employed, they commit various crimes such as fraud, corruption, contravention of supply chain management rules, and theft. As a result of the investigation that the researcher conducted from 2014 to 2015, it transpired that the Human Resources (HR) officials are also negligent and actually promote employment fraud, as they tend

to defend their selection of candidates based on the candidates' experience but not qualifications. Employment fraud does not only disadvantage CoJ but it also inflicts emotional distress on the candidates that are qualified but denied an opportunity to flourish. It is evident that the applicants are aware of the weakness of CoJ, i.e. that it does not verify or confirm the qualifications of applicants during the appointment process but rather launches an investigation after the discovery of employment fraud. CoJ is losing exorbitant amounts of money, in fact, billions of rand because salaries are being paid to employees with qualifications that appear to be fraudulent, and then they commit further crimes. It is difficult to recover losses from employees engaged in fraud because they were given an opportunity of employment by a head of a department and the signatures of heads of departments appear on the letters of appointment.

However, employment fraud or occupational fraud is not easily detectable by investigators, unless it is picked up by a whistle-blower, as indicated above.

The CoJ Forensic Investigators, Auditors, Risk Officers, Compliance Officers and Minimum Information Security Standard (MISS) officials, Monitoring and Evaluation, as well as Information Technology (IT) find it difficult to investigate fraud related to employment because they do not apply forensic vetting to verify and confirm the applicant's qualification, since CoJ does not have the facilities to conduct forensic vetting.

Forensic vetting is similar to the concept of profiling. It is described by Mdluli (2011:3) as conducting a contextual (background) check on the applicants before the job offer is accepted and signed by him/her, and it can also be conducted during employment to investigate allegations against employees to check their wealth status. The idea behind this research study is that the CoJ Forensic Investigators, Auditors, Risk Officers, Compliance Officers and Minimum Information Security Standard officials should practise forensic vetting as an employment fraud investigation method to investigate fraudulent appointments and ensure that the managers adhere to the appointment standard policies and regulations as set by CoJ policy-makers. If the regulations are adhered to, CoJ forensic investigators could permanently eradicate employment fraud and CoJ will not suffer any financial or reputational losses or experience prejudice, namely that the reputation of CoJ will not be tarnished by the city appearing to employ people without credentials.

Auditor General South Africa (2017) have pointed out that the employment fraud in terms of irregular appointment of candidates and service providers occur as a results of instability, disregard for the law and regulations and the absence of tight measures and controls

This study will also promote impartiality, loyalty, good faith, diligence and transparency, so that the credibility and integrity of CoJ will not be compromised (CoJ Employee Code of Conduct, 2013:5)

1.3 Research Aims

Welman, Kruger and Mitchell (2005:02) indicate that the research aims are to find evidence, and gather new data to determine whether there are investigative patterns in the data. The researcher agrees with the above-mentioned authors and add that the aim is similar to the objective that a researcher wishes to achieve during the investigations. The aim of this study is as follows:

- To evaluate the use of forensic vetting as a technique in the investigation of employment fraud (occupational fraud) in CoJ.

1.4 Research Questions

The chosen questions led the researcher to focus on certain types of responses from participants during interviews, since the researcher was searching for information that the participants would make available to unfold the study by answering the questions with regard to the forensic vetting investigation concept (Vogt, Vogt, Gardner & Haeffele 2014:43).

Miles, Huberman and Saldana (2014:25) state that the invention of the research question leads, advises and improves a concrete framework of a research. They are definite, straightforward and follow along each other. They may be general and also are aspects of inquiry that the researchers want to discover.

The researcher must formulate the research questions to obtain clarity, with the terms defined clearly, and specifically explored within the research, and he must also indicate what kind of data will be required in order to answer, confirm or refute the questions (Denicolo & Becker, 2012:55). They further state that research questions should be consistent so that ultimately the combined answers contribute to the responses to and resolution of the research problem, and take the form of what is happening and how.

The researcher agrees with the ideas of the aforementioned researcher and adds that the research questions are queries that are identified in respect of the problem that is being addressed by a researcher, and that such queries help the researcher to probe the matter. In this sense, the research question focuses mainly on forensic vetting as an employment fraud investigation method, and the question divided into segments that will make it possible to investigate

employment fraud. The research question in this study was answered by means of the literature reviews and interviews of investigators at CoJ.

Edmonds and Kennedy (2013:177) support the version of Denicolo and Becker (2012:55), and Miles, Huberman and Saldana (2014:25), and they assert that the research questions form the basis as well as the application of a suitable design.

The research questions are as follows:

- How should forensic vetting as an employment fraud investigation method be conducted?
- What is the importance of conducting forensic vetting as an employment fraud investigation method in the City of Johannesburg?

1.5 Purpose of the Research

Research can serve multiple purposes, which include describing, explaining, evaluating or improving existing procedures, and empowering those taking part in the investigation project (Fox & Bayat, 2007:30-31). The authors further pointed out that the important point is that the purpose of the research is to interact with the outside world, where the researcher has to make a definitive decision in pursuit of a valid conclusion.

The researcher evaluated the forensic vetting concept by assessing how CoJ could use it as an employment fraud investigation method and as input to refining the forensic vetting process that is currently being used by CoJ Forensic Investigators, Minimum Information Security Standard, Risk Officials, Compliance Officials and Forensic Auditors.

Brynard and Hanekom (2006:10) indicate that the purpose of research is to create a respectable end-product. Orna and Stevens (2009:29) are stimulated by the opinion of Brynard and Hanekom (2006:10), who contributed a good idea, namely that by renovating knowledge, it can be recreated into an informative product that can be reviewed by others in the outside world and used to their advantage. That is the ultimate purpose of the research.

The researcher intended to evaluate the forensic vetting objectives that would significantly contribute to the empowerment of management, Forensic Investigators and other departments in the public and private sectors that are involved in the field of forensic investigations, namely Minimum Information Security Standard (MISS), Intelligence Services auditing firms, South African Police Services (SAPS), Johannesburg Metro Police Department (JMPD) Internal

Affairs, South African National Defence Force (SANDF) and the National Intelligence Agency (NIA).

- The researcher evaluated the current procedures that are used in the process of forensic vetting as an employment fraud investigation method in CoJ.
- The researcher determined the challenges and weak points encountered by the CoJ Forensic Investigators, MISS, Auditors, Risk Officers, and Compliance Officers that are involved with the forensic vetting concept.
- The researcher described the sequential event or procedure ~~of~~ regarding the application of forensic vetting as an employment fraud investigation method in CoJ.
- The researcher explained the negative and positive impact ~~in~~ related to applying forensic vetting as a fraud investigation method in CoJ.
- The researcher intended to generate and improve the results and models that were clear and experientially reliable for both private and independent people who are studying in the field of forensic investigation, auditing, MISS, and security studies.
- The researcher created a data collection of the information obtained and transformed it into a format that constitutes a constructive database, which can be evaluated and used by other researchers as a reference for their own research studies.
- By contributing his knowledge and ideas at seminars and conferences, the researcher believes and trusts that ~~it~~ this acquired knowledge will enable investigators to be proactive rather than reactive, so as to detect employment fraud (occupational fraud) before it occurs.

1.6 Key Theoretical Concepts

Leedy and Ormrod (2005:119) explain that key theoretical concepts determine the research process, and that they can be used to group objects or people into more general categories and so prevent any misconceptions that may result from the research project.

It is vital that the terminology appearing in the title, the statement of the problem and sub-problems should be defined correctly because without the researcher knowing the meaning of a term, the subsequent outcome of the research cannot be evaluated properly and it will be impossible to determine whether the researcher has duly solved the identified problem (Fox & Bayat, 2007:140). The researcher identified the problem that should a forensic vetting investigation not be conducted at CoJ, it would lead to more damage. However, the researcher identified the following terminology to address employment fraud:

1.6.1 Criminal Investigation

Purpura (2013:275-276) defines criminal investigation as a search in respect of material from the crime scene, interviewing suspects, victims, witnesses and spies, as well as obtaining physical evidence such as tool marks, fingerprints, DNA, shoe prints, documents, information and facts such as from the Internet and database.

1.6.2 Fraud

The Association of Certified Fraud Examiners (ACFE 2014:2201) defines fraud as a variety of actions that can be devised by means of human inventiveness and is resorted to by an individual in order to obtain an advantage over another, for example by means of false suggestions or control or distortion of the facts, for example a surprise, trick, cunning, or any unfair way by which another is cheated.

1.6.3 Pre-employment screening

Ortmeier (2013:13) defines pre-employment screening as a review of each resumé qualification to ensure that the candidate meets the required qualifications and specifications for the position, such as fitness, capability and honesty, as determined by means of analyses and interviews.

1.6.4 Profiling

Pistorius (2005:14) defines profiling as a comparison of data about an identified person and includes such information as identification number, address, criminal records, weapons and vehicles owned, past employment, verification of academic qualifications, and cell phone and banking details

1.6.5 Vetting

Mdluli (2011:3) defines vetting as doing a careful examination or critical assessment, generally referring to the performance of a contextual check on someone before proposing and signing off on that particular person's employment contract.

1.6.6 Intelligence

Lyman (2013:117-118) defines intelligence as the knowledge of past, present or possible future criminal activities. This knowledge results from the collection of information that, when evaluated, provides the user with a basis for rational decision-making. Based on an analysis of information obtained by gathering intelligence, a crime analyst can provide a prediction about future crime.

1.6.7 Human Resources Investigation

Ortmeier (2013:204) defines a human resources investigation as being related to employee backgrounds, workplace violence, employment discrimination, workers' compensation claims, sexual harassment, substance abuse and wrongful termination.

1.7 The Value of the Research

Research in the social sciences should play a very important role in bettering society rather than satisfying the curiosity of a handful of ivory-tower academics by using a bundle of sources that are confusing the issue with English terminology and are not in line with the subject under investigation (Woodwell 2014:154-155). He further elaborated that most research is ultimately intended to yield a practical application in real-world situations. The researcher is of the view that indeed you do not need "big terminology" to make the research valuable but you do have to understand the problem that you have identified and how you will unfold it to eliminate it.

The value of research is as follows:

- The researcher embarked on the research to lay the groundwork for potential future problem-solving, decision-making and proper planning of the use of forensic vetting as a fraud investigation method in CoJ.
- The research will increase the knowledge and understanding of the forensic vetting practice and it will also enable the investigators to devise a method for the resolution of problems and the application of corrective measures by means of alternative strategies.
- The research will serve as a guide in the academic world, such as at the University of South Africa (UNISA), University of Pretoria (UP), University of Cape Town (UCT), and training institutions such as those that are part of SAPS, SANDF, Correctional Services, JMPD, Tshwane Metro Police (TMPD), Ekurhuleni Metro Police (EMPD) and

the Security Risk Management of all departments that have such a department, especially in the field of research, planning and development, and for recruitment agencies.

- Should UNISA's Research Committee find this study to be valuable, it will be loaded onto the MyUnisa programme and be used by the students enrolled in the College of Law and Criminal Justice. This study could specifically help the students to obtain knowledge of the concepts of forensic vetting
- This research could assist private entities and public sectors to conduct forensic vetting as a fraud investigation method during investigation of fraudulent appointments in order to avoid the risk of potentially suffering a loss of reputation.
- The CoJ Human Resources Departments, Johannesburg Metro Police Department, Supply Chain Management, Merchants Payment Department, Finance Department, Health and Social Services Department, Revenue Collection, and the Public Safety Department will benefit from this research because it contains valuable information regarding advanced technologies on how to use forensic vetting step-by-step as an employment fraud investigation method.
- The other municipalities that will benefit from the research are City of Tshwane, Mogale City, City of Ekurhuleni, Dr JS Moroka, Feta Kgomo and Bela-Bela. The SAPS will also benefit from the research.

1.8 Research Design and Approach

1.8.1 Design

The researcher adopted the empirical design to be used throughout this research study because he initiated this study based on the factual, actual, real evidence of fraud employment that he had experienced and investigated at CoJ. The evidence that the researcher collected consisted of fraudulent qualifications and manipulated curricula vitae that had led to various forms of occupational crimes such as fraud, corruption and contravention of supply chain policies. The evidence forms part of the empirical data

According to Denzin and Lincoln (2012:416-418), empirical design involves articulated and transcribed records of human experience, including transcribed talks, films, novels, photographs and interviews that provide the researcher with accounts about the issues being studied.

The research design comprises plans and procedures for the research period decision that is derived from broad assumptions to detailed methods of data collection and (Creswell, 2009:3).

Fox and Bayat (2007:51) indicate that research design is the actual plan in terms of which the researcher chooses research participants or subjects, and from whom data is collected.

The researcher used the empirical design so that he could go out with confidence to search for information and evidence from the literature, interviews samples and the population that are relevant to this study. The researcher conducted interviews with the CoJ Group Forensic and Investigation Services (GFIS) to obtain applicable information with regard to forensic vetting as an employment fraud investigation method

Grbich (2013:04) states that evidence is termed “empirical data”. The researcher supports the author in this opinion and indicates that the information that was collected through interviews with the participants was related to this study and regarded as factual evidence.

1.8.2 Approach

The researcher applied the qualitative approach throughout the research because qualitative involves interaction between the researcher and the subject that was identified as a problem that concerned CoJ. It was an ideal to construct this research study by focusing on the qualitative approach because it is an intellectual approach that would lead the researcher to go out to collect evidence from the participants by means of interviews and books that focus on the forensic vetting concept.

By conducting research, we advance knowledge by aiming to get closer to the truth that is being investigated. The truth being researched should be objective, qualified, neutral and honest (Grbich, 2013:4). In approaching this study, the researcher definitely qualified every disputed aspect that has been identified as a contribution to the employment fraud.

David and Sutton (2011:204) state that qualitative research focuses on providing a framework for the collection and analysis of data.

The qualitative research approach entails conducting the investigation on your own, with the idea of addressing goals, real situations, analysing answers from the participants, collecting data, and ensuring consistency and rationality (Maxwell, 2013:3).

Edmond and Kennedy (2013:112) maintain that the qualitative method is often used to explore “how and why” the problem started, and how to resolve that particular problem.

(Denzin and Lincoln, 2012:3-4) pointed out that qualitative research consists of a set of educational material that helps society to understand the origin of the problem as well as the solution. In order to understand the research, one should concentrate on field notes and conduct interviews with the participants so as to gather information about the subject matter.

Edmond and Kennedy (2013:112) and Denzin and Lincoln (2012:3-4) provide suggestions that the qualitative approach studies objects in conventional settings in order to make sense of them. Edmond and Kennedy (2013:112) and Denzin and Lincoln (2012:3-4) further state that qualitative research involves a collection of study materials, case studies related to the research, journals, the researcher's experience, as well as interviews with the participants.

The qualitative approach refers to a meaning, concepts, definitions, characteristics, metaphors, symbols and descriptions of things or people that are not measured and expressed numerically (Repko, 2012:208). He further elaborates that it provides a way in which to evaluate and understand facts about actual people, or objects left by them such as art, collected works, poetry, photographs, letters and newspapers.

Graustein (2014:37) states that qualitative research involves the gathering of data in the form of observational and written information because reality is relative and influenced by insight. It is used to investigate the history of trends and theories, case studies, interviews and focus groups.

According to Fox and Bayat (2007:7), the qualitative approach scientifically explains events, people and matters associated with them, and does not depend on numerical data; moreover, it focuses on case studies, building theory from the ground up. Qualitative research means exploring and understanding the meaning that individuals or groups ascribe to social or human problems that have never been researched before (Creswell, 2009:4). He further points out that qualitative research studies things in an accepted background, and it collects data by means of examining documents, observing behaviour, or interviewing participants.

The researcher qualified this study by using interviews schedules that fall in the category of primary data, as well as a literature study, which is a secondary data collection. The qualitative approach assisted the researcher to obtain information from experienced forensic investigators from the GFIS.

The researcher supports the comments of the above-mentioned authors and adds that qualitative research focuses on obtaining data by means of communication. There are several types of qualitative research methods and they are as follows:

1. In depth interview
2. Focus groups
3. Content analysis
4. Case study research

The researcher collected empirical material by going out to conduct structured, face-to-face consultations with the relevant population and conducting sampling for this research.

1.9 Population

David and Sutton (2011:226) indicate that population sampling is a method that allows the researcher to infer information about a population, based on results obtained from a subset of the population, without investigating every individual, whereas (Bouma et al., 2012:142) claim that to draw a sample, the researcher must first identify the population from which the sample is to be drawn by listing each element, and obtaining a complete list of feasible participants. The researcher supports the views of (David & Sutton 2011:226 and Bouma et al. 2012:142) by adding that a population is a unique set from a group, or rather a selected number of people that in the opinion of the researcher fit into his study.

The population from which data was collected is GFIS

The researcher requested permission from the Executive Head of GFIS to select ten (10) forensic investigators to partake in this study.

The total population to be interviewed and collect data from was considerable and appropriate for evaluating forensic vetting as an employment fraud investigation method. The researcher used purposive sampling to choose the participants for this research.

1.10 Target Population

Lanier and Briggs (2014:206) assert that the target population is a subgroup of the overall study population to be examined. They further outline that target population sampling guides the researcher to select a portion of the total population to be studied, as opposed to studying the entire group.

The researcher supports the opinion of Lanier and Briggs (2014:206) and states that the target population is a small number, therefore it saves time and resources, and it is easier to handle and less expensive.

The target population enables the researcher to study a small number of units instead of the total population, to obtain data that is representative of the whole population

For this study, the researcher interviewed ten Forensic Investigators from GFIS.

Sampling makes research possible because it processes accurate results to make judgements about facts and issues (Bouma, Ling & Wilkinson, 2012:135-136). They further postulate that the manner in which the sample is drawn determines to what extent we can simplify the judgements.

1.11 Purposive Sampling

Throughout the research, the researcher purposively selected the forensic investigators as a sampling. According to Blaxter, Hughes and Tight (2008:163), purposive sampling takes place when a researcher handpicks supposedly typical or interesting cases.

It is impossible for a researcher to consult everyone involved in a case (Warren & Karner, 2015:64). The researcher has to choose people who can shed most-light or a different light on an aspect during purposive sampling. Participants are deliberately chosen because of their appropriateness in respect of advancing the purpose of the research, as well as their significant knowledge, interest and experience.

Lanier and Briggs (2014:223) indicate that employing purposive sampling entails the identification of personalities of interest to whom enquiries may be directed.

Bouma et al. (2012:140) state that in their opinion, a wide range of researchers selected the best group or people to be used as a population sample for study. Bouma et al. (2012:69) further assert that purposive sampling is appropriate in the sense that it is used in a qualitative approach to examine a typical case in order to understand it more fully, and this procedure or technique is used when a topic is new and has never been explored before.

The researcher's topic, namely "Evaluate forensic vetting as an employment fraud investigation method", has never been explored before and that was the reason why the researcher employed the purposive sampling in order to discover the purpose and objectives of a forensic vetting investigation and to develop new strategies with regard to the forensic vetting concept.

Marshall and Rossman (2006:70-71) posited that purposive sampling is guided by a framework and concepts illustrated with regard to individuals, events and views, by demonstrating subclasses, services and evaluation.

David and Sutton (2011:232) support the ideas of Bouma et al. (2012:140) as well as those of Marshall and Rossman (2006:70-71) by adding that in purposive sampling the units are selected

in accordance with the researchers' knowledge and opinions about keys that they think would be suitable for the topic to be studied.

As indicated above, the researcher selected 10 Forensic Investigators as a sample for interviews in order to collect information relating to the forensic vetting concept because they are suitable and qualify to be sampled purposively.

1.12 Data Collection

Data collection refers to the process of selecting, focusing; simplifying, abstracting and transforming the data that appears in the body of the written field notes, interview transcripts, documentation and other empirical materials (Miles, Huberman & Saldana, 2014:12).

However, Steinburg and Cannella (2012:37) indicate that data collected and presented as information is not always mutually or collectively understood or agreed upon, and the complexity of this misunderstanding lies in the frame of reference in accordance with which individuals perceive data. They further elaborate that data can be perceived as valuable if the researcher presenting the data is perceived as having significant status and experience.

The researcher understands primary data to be the information found in books, documents, journals, interviews, transcripts, TV news etc., and that all of these can be classified as literature. Throughout the research period, the researcher collected data by consulting UNISA's Florida and Pretoria libraries, as well as those of CoJ in order to collect literature. The interviews were conducted at the researcher's office. The researcher focused mainly on the structured interview form by using one set of questions to interview all members of the selected population.

1.13 Literature

According to Fink (2010:3-4), a literature review is a reference to recorded and already published academic work produced by different researchers, and it is divided into several categories, as follows: Selecting research questions

- Indicating key concepts
- Applying practical screening criteria
- Applying criteria for screening
- Doing review to test reliability and validity
- Synthesizing results

The researcher had to determine the theoretical structure by identifying the appropriate keywords and using them to search computerized databases. Denicolo and Becker (2012:48) indicated that review is a process of progressive focusing, starting with a wide selection but gradually expanding and focusing only on those selected publications that support the topic and approach (Denicolo & Becker, 2012:48).

Vogt et al. (2014:140) provide the insightful knowledge that the purpose of a literature review is to analyse evidence, guide the practice that focuses on the findings that are fairly certain, and to guide future basic research. The authors further provide the following guidelines:

- Do not repeat the same material that the researcher has already used further on in the same study
- Use measureable reports that are relevant
- Keep record of the studies that contributed to the quality of the research

Systematically weigh the evidence obtained from different sources, and provide explanations for the evidence so as to resolve unreliable findings.

Welman, Kruger and Mitchell (2005:38) assert that the reasons for literature reviews are as follows:

- To avoid replication of previous research
- To determine the most recent and convincing opinions about a particular subject
- To determine which research findings are acknowledged most in the particular field of study

The starting point for a literature review is to search for volumes such as books and articles by specialists in the field directly relating to the topic of the research (Brynard and Hanekom, 2006:31). They proceed by asserting that the literature review will contribute to a better understanding of the selected research problem and will guide the researcher in determining what data should be collected and what can safely be rejected.

According to Creswell (2009:25), the literature review shares with the reader the results of other studies that are closely related to the one being carried out. It relates a study to the broader, ongoing exchange of ideas in the literature, filling in the gaps and expanding previous studies. He further posits that the literature review provides a framework for establishing the importance of the study as well as acting as a benchmark for comparing the results to other findings.

However, there is limited literature on the researcher's topic. The researcher consulted books on law, psychology, criminal justice, criminology and security risk management the libraries of UNISA's Florida and Pretoria campuses, as well as at CoJ's Library to supplement his research regarding the evaluation of forensic vetting as a fraud investigation method.

The following key concepts were selected in order to search for the relevant literature: Criminal investigation; Fraud; Pre-employment screening; Vetting; Profiling; Intelligence; and Human Resources Investigation.

The researcher found that this topic, namely "Evaluate Forensic Vetting as an Employment Fraud Investigation Method" had never been researched before. The researcher he therefore researched the topic to identify the shortages, close the gaps, and mitigate the risk and losses at CoJ.

The researcher consulted law, criminology, policing, forensics investigation, auditing, security, psychology, penology, research, social science and human resources books, as well as journals and Internet facilities during data collection.

The researcher's idea was to collect as much information from the literature, refine it by assigning it to various categories, and so build a qualitative study that would be in line with the forensic vetting concept as an employment fraud investigation method.

1.13.1 Interviews

Fox and Bayat (2007:69) regard interviews as a research practice and a way of learning about people. The outcomes are shared with interested parties by way of publication. The researcher was of the view that the interviews would produce exceptional findings so as to solve the problem that CoJ was encountering. He interviewed the Forensic Investigators and found that their role was mainly to investigate, conduct vetting of the employees, and protect the interests of the CoJ municipality.

Interviews are good for identifying the attitudes that prompt certain actions, since people often do not know why they act the way they do (Repko, 2012:250-251).

According to the (ACFE (2014:3301), interviews are organized sessions that consist of a series of questions and answers for the purpose of eliciting data from participants or law-breakers in a fair and impartial manner.

Gray (2014:382) agrees with the above-mentioned ideas and adds that an interview is a spoken conversation in which one person attempts to acquire information and gain an understanding of another person's attitude, beliefs, actions and practices.

The researcher employed structured interviews as described by Marshall and Rossman (2016:150), who maintain that structured interviews are scheduled by an investigator. The investigator will design the questions that he will ask the participants in a sequential and consistent manner, and the same questions will be posed to the population and sample selected for this study.

The researcher used the compiled interview schedule by focusing on forensic vetting then conducting the interviews. He used the structured, face-to-face interview strategy to avoid confusion during the study.

Face-to-face interviews produce meaningful responses and help the researcher to secure the full cooperation of the potential participant in order to obtain the data (Leedy & Ormrod, 2005:184). The researcher requested permission to interview the investigators that work-at CoJ's Group Forensic and Investigation Service.

Warren and Karner (2015:64) indicate that interviews usually consist of one-on-one discussions between the researcher and the research participant in a type of guided conversation.

1.14 Data Analysis

As suggested by Creswell and Clark (2011:208), the researcher divided the information obtained from the literature and interviews into smaller units, such as phrases, sentences or paragraphs, and grouped the smaller units by coding them in accordance with themes so that he could better understand all the data so as to be able to analyse it to a required standard.

The researcher divided the literature and interviews into components and examined those components in order to identify themes, properties, similarities, differences and dimensions, so as to formulate inferences and interpretations (Corbin & Straus, 2014:48).

The researcher analysed those phrases, sentence and paragraphs from the field notes that he obtained from interviews and literature notes that were extracted from the international and local literature (Corbin & Strauss, 2008:196)

The researcher undertook extensive reading of the data that has been explored by other researchers, focusing on the forensic vetting concept, investigation, prevention, empirical and

qualitative approach, purposive sampling, and interviews with a selected population. The researcher made notes of what he read and analysed them to ensure that he used his own words throughout the research to avoid manipulation of data and plagiarism.

According to Vogt et al. (2014:02), data analysis refers to opinions or thoughts that we interpret in some way as text, numbers or images that we plan to do more with, and about which we want to enquire further.

The researcher supported the ideas of the above-mentioned authors and added that data analysis involves the breaking up of data into manageable relationship trends, patterns and themes.

The views and beliefs of Vogt et al. (2014:02) are supported by Levine (2014:05), who states that the important aspect of analysing data is to examine it thoroughly by drawing a map of the data and displaying it backwards, upright and sideways, getting to know the major features and drawing the basic structure free-hand without actually looking at the data, and drawing accurate findings from memory before proceeding.

The researcher's idea regarding data analysis is that it is the evidence discovered by various researchers with the intention of playing their part in respect of what has to be solved, making solid, reliable findings and sense out of it. In other words, the data-that is collected has to be refined, architected and engineered to become noteworthy structure.

Miles, Huberman and Saldana (2014:11) confirm that data analysis is based on observations, interviews, documents and raw field notes that have to be refined, expanded and typed up, as well as the audio recordings that have to be transcribed and analysed. In analysing data, one has to reduce a huge amount of data, group it into several elements, and identify the fundamental categories (Flick, 2014:11).

The researcher applied content analysis as explained by Lanier and Briggs (2014:136), namely by steering a range of broad data and analysis into one process to identify common patterns or themes.

The researcher analysed data by describing and explaining the original data that was collected during interviews, or from the documents, books, journals, observations, focus groups, images, field notes, recordings and transcripts. During analysis the information was organized and categorized, criticized, compared and separated. The information collected was perused and the participants' views were analysed and connected together in order to look for distinctions and

determine connections between the themes data used throughout the research was collected from libraries, the CoJ library, the focus group, case studies, life history and visual recordings.

1.15 Method to Ensure Validity

The research study is regarded as usable if it precisely measures the occurrences that it is intended to describe, explain and publish (Corbin & Strauss, 2008:196). The authors' further state that the researcher should use undisputed values, a constant, relative method, and all-inclusive data treatment and make suitable arrangements for interviews.

The researcher addressed the validity of the research by asking questions, making comparisons, thinking of the meaning of words, drawing inferences regarding the experience and service of forensic investigators, and examine the language, emotions, words that indicate time, metaphors and smiles, negativity and structure of narratives (Corbin & Strauss, 2008:69).

The research was validated by the fact that the participants that the researcher interviewed were the forensic investigators with years of experience and they also held suitable qualifications.

To ensure validity, the researcher collected data based on the research questions, and the same questions were posed to the selected population.

It is worth noting that in most of the interviews, the researcher transcribed the discussions and turned them into printed words to validate them so that they would be in line with the study (Ravitch & Riggan, 2017:128).

The population was measured by means of interview questions that were in line with the study and validated by the fact that all the forensic investigators to be interviewed were experts in the field of investigation. The researcher used structured, face-to-face interviews to ensure the authenticity of the study.

According to Woodwell (2014:98), a valid means of measuring a variable entails measuring it in a correct and convincing way so that there is no dispute as to whether a variable's value actually represents what is supposedly being measured.

One particularly important concept associated with enhancing the validity of the research is analysis of the contents of the study to construct the findings (Harding, 2013:06).

It is wise to keep a research diary of thoughts and decisions, as it may be a helpful way of showing how analysis has developed before key decisions are forgotten or the reason for them become less clear with time (Gibson & Brown, 2009:15).

Edmond and Kennedy (2013:03) add the insightful knowledge that the important objective of research is to reach valid results based upon the appropriate application of a scientific method, and the extent to which the results accurately answer the stated research question of the study.

Validity is a straightforward, common-sense way to refer to the correctness or credibility of a description of the study (Maxwell, 2013:122). He further expanded his submission and elaborated that by validating the study, the researcher will come to a correct conclusion, interpretation or other sort of account.

To ensure validity, the researcher applied data analysis to minimize errors. To enhance the validity of the research, the researcher checked all data, ensuring that it was relevant. The researcher ensured that the original of the information was available for further reference. If other researchers conduct research, using the same references, the findings and conclusions will be the same.

The views of Corbin and Strauss (2008:69), Ravitch and Riggan (2017:128), Woodwell (2014:98), Edmond and Kennedy (2013:03), Harding (2013:06), Gibson and Brown (2009:15) and Maxwell (2013:122) are concurred with by Vogt et al. (2014:77) in the sense that the validity accurately captures the essence of the phenomena you are interested in so that you can record those phenomena and assess them in ways that allow you to address the research questions

Documents, journals, books etc that are in line with forensic vetting intelligence as well as part of the literature have been used as measuring instruments. Data was collected at Pretoria and Florida UNISA libraries and CoJ library. There was no any manipulation or alterations of the information found.

1.16 Methods to Ensure Reliability

The researcher tested the reliability of the study by preparing data that had been collected from the literature and interviews, and arranged documents, transcribed text, read through data, wrote memos, developed a qualitative note book, coded the data, assigned labels to codes, arranged themes and categories, interrelated themes to a set of themes, presented the findings in

discussions of the themes and categories, assessed how research questions had been answered, and compared the findings to the literature (Creswell & Clark, 2011:205)

According to Curtis and Curtis (2011:13), reliability measures the extent to which the analysis of data yields consistent results that can be reproduced at different times by various researchers.

Reliability refers to the variable producing stable and consistent scores when it is being measured (Ellis, Hartley & Walsh, 2010:17).

Fink (2010:15-16) indicated that there are four methods to test reliability of the study and they are categorised as follows-

- There must be positive scores from time to time
- The assessments must measure the same concept at the same level
- Normalizing refers to the extent that all items or questions assess the same talent or excellence
- Two individuals agree on their measurement of an item

Vogt et al. (2014:79-80) support the views of Curtis and Curtis (2011:13) as well as that of Ellis et al. (2010:17). They indicated that reliability indicates the stability of measures; a completely defective scale can measure nothing, in other words, unreliable measures have more errors and distortions.

The researcher was of the opinion that to ensure-the reliability of this study, he would not distort the material that he collected by coding word for word but that he-would simplify the ideas of other authors and participants by using his own words to elaborate further on the forensic vetting.

The researcher believed that the literature searches to be conducted comply with all four of the above-mentioned (bulleted) categories.

The researcher ensured that correct measures were taken to ensure that the methods of data collection were consistent and in line with the research policies, and would not distort the findings in order to meet the requirements of reliability, and would comply with the research ethics.

The researcher created interview schedule question that would be consistent for all of the target population, sampling and data collection.

The researcher was of the opinion that the reliability of this research ~~is~~ was guaranteed because the population and sample selected for interviews had vast experience in the field of investigations and would assist the researcher to achieve valuable findings. The literature that the researcher consulted had been written by well-informed authors, with many years of experience of literature publication.

The researcher made this study reliable by using structured face-to-face interviews with the participants as they were governed by the same principles and regulations as indicated by ACFE (2014:41001), for example that the investigators would at all times demonstrate a commitment to competence and meticulousness in the performance of their duties.

The researcher used the planned, structured, face-to-face interviews that posed the same questions to the population and the sample that had been selected for this study. The respondents were allowed to elaborate freely in a private room, and their responses were recorded (Gray, 2014:385).

To ensure reliability of the study, the researcher submitted an application to interview the forensic investigators at CoJ GFIS, starting with the head of the department, and undertook that the investigators would be interviewed voluntarily without any influence exerted by the researcher.

1.17 Ethical Considerations

Developing an ethical procedure entails maintaining the confidentiality of participants and demonstrating that the researcher has given significant consideration to practical and ethical issues, for instance refraining from exposing the identity of the participants and respecting their right to privacy and anonymity, as well as their right to participate without being coerced, or to decline participation, should they so wish (Marshall & Rossman, 2016:51-52).

The researcher fully informed the contributors to this study of the purpose of their contribution, and that he would also ensure that their identities would in all instances be protected.

Harding (2013:25-26) and Curtis and Curtis (2011:15-19) suggested that when the researcher was conducting the research, the following principles should be adhered to:

- **Informed Consent**

The researcher requested consent from ten participants at his workplace in order to conduct interviews with them and to use their inputs in the research.

- **Right to Privacy**

The researcher ensured that the target population that would be interviewed would remain anonymous.

- Protection from Harm

The researcher ensured protection and that no harm would come to the selected targets or the authors that would be used throughout the research study.

- Honesty with Colleagues

The researcher ensured that he acknowledged all cited and quoted sources that were used throughout the research study. The list of references was compiled and is attached.

Miles, Huberman and Saldana (2014:56) indicated that the qualitative researcher should consider academic ethics during the research process and be guided by the rules and regulations that govern academic research

Researchers should ask themselves the following questions:

- Question: What kind of data collection is involved?
- Answer: Data collection in the form of interviews includes active involvement of participants and obtaining information from the literature, including journals, to ensure that the research moves in the desired direction.
- Question: Will the material provided by participants be treated confidentially?
- Answer: Should the researcher breach the trust of a participant and divulges his comments to another person, the relationship might become strained and any subsequent analysis might be biased.
- Question: Will the participant's anonymity be maintained?
- Answer: The researcher must ensure the anonymity of the participants, because they might provide defensive and biased data.

The references to all sources are contained in the list of references. The confidentiality, anonymity and privacy of the participant will be protected by assigning them code names such as Respondent A, Respondent B until the alphabet meets the number of target population and sampling.

1.8 Chapter Layout

CHAPTER 1:

GENERAL ORIENTATION

Problem statement and research layout.

CHAPTER 2: Conducting forensic vetting as an employment fraud investigation method.

CHAPTER 3: The importance of conducting vetting in an organization.

The importance of conducting forensic vetting as an employment fraud investigation method in the city of Johannesburg

This chapter discusses conducting forensic vetting during the investigation of employment fraud. The researcher indicated the processes to be followed when conducting forensic vetting. The importance of evaluating forensic vetting as employment fraud investigation method

When evaluating forensic vetting, the researcher examined the role, purpose and objectives of conducting forensic vetting and how vetting can be applied in the investigation of employment fraud. The researcher discussed due diligence, lifestyle audit and profiling.

CHAPTER 4:

Findings and recommendations of the research

CHAPTER 2: CONDUCTING VETTING AS A FORENSIC TECHNIQUE TO INVESTIGATE EMPLOYMENT FRAUD

2.1. Introduction

The public has the right to believe that employees of government and other public institutions have integrity, are impartial and responsible, and uphold the highest ethical standard to maintain public trust and confidence (Mdluli 2011:21). Apart from other measures that the government introduces to ensure that employees are honest, vetting authorities and public service employees have to be confident that the government recruits and the public services employ persons that are honest, reliable and trustworthy. Mdluli (2011:21) further elaborates that when public servants are security-compliant, the threats to national security such as corruption, fraud, sabotage, subversion, terrorism or an act of endangering security can be avoided. From the government's point of view, vetting is a preventive measure against employment fraud, and every employee of the State or organ of the State must be subjected to it (Mdluli 2011:21).

In a strong message delivered by Dr SC Cwele, Minister for State Security, in his address to parliament in Cape Town on 1 July 2009, he dynamically pointed out that the “forging of identity and other official government documents, penetration of government information and communication technology systems to carry out fraud, the break-ins at the government strategic points, the selected and distorted leakage of state information to destabilize and create divisions negatively impact on the state's ability to function and deliver its mandate. We must ensure that the government is protected from theft, manipulation, misrepresentation, cyber-attacks, unauthorised disclosures, corrupt officials, criminal syndicate[s], foreign adversaries and information peddlers” (Mdluli, 2011:21).

The following cases represent employment fraud:

- a) Pallo Jordan, one of the greatest ideologists and a philanthropist who played a critical role in the SA economy and infrastructure development was found not to be a real doctor as he claimed to be, and he later resigned to save his reputation (Wikipedia, 2017).
- b) During the investigation of the SABC (South African Broadcasting Corporation) by Advocate Thuli Madonsela, it was found that the SABC's Chief Executive Officer (CEO), Mr Hlaudi Motsoeneng did not even have a matric certificate (Times Live, 2017).
- c) In the CoJ, the investigation of irregular employment, after a tip from the Deloitte Hotline (Deloitte Whistle-blower, 2015), the researcher found out that the candidate who had been

appointed to the position of Manager: Accounting Expenditure and Financial Reporting, did not have a matric certificate or accounting qualifications.

- d) The above-mentioned cases clearly indicate that the HR departments are not familiar with the concept of a vetting investigation. It is evident that employment fraud costs the CoJ a lot of money, as the fraudulent employees are employed and paid fully without proper credentials.
- e) Businesstech (2017) announced that the Public Services and Administration Minister had hired 27 support staff members that included her friends and relatives. This included uncles and cousins, without following the proper protocol.

The reason for mentioning the above cases is to explain examples of employment fraud and also to indicate that employment fraud is indeed occurring in the public services, therefore forensic vetting should be put in place to eliminate these criminal activities.

2.2 The Mandate for Vetting in Forensic Investigation

It is clearly defined by Sennewald and Tsukayama (2006:67) that there is no investigative technique that serves the best interests of a corporate institution more efficiently than the employee vetting process.

They further pointed out that vetting applicants by means of a preliminary screening in a post-hire investigation is the correct procedure (Sennewald and Tsukayama, 2006:68).

According to Carlston, Volker, Feuiherade and Lategan (2011:199), the olden eras of just hiring an employee on face value are over. They further submit that these days, the applicants lie too much about their curriculum vitae status or contents, business partners are defrauding each other, and service providers mostly lie about their creditworthiness (Carlson et al, 2011:197).

Carlson et al 2011:197 explain further that in their experience, the employees are responsible for the work dishonesty, unlawful actions and inappropriate behaviour that cause massive losses to many organizations in the private and public sector, as they often collude with suppliers, customers, family members and members of the crime syndicate. Sometimes the collusion is voluntary and in some cases it is a result of blackmail or extortion. The major challenge facing the organizations is therefore to ensure that effective systems are in place to encourage employees to be honest and ethical when dealing with service providers, as well as to discourage them from making the wrong choices or embarking on greed-decision-making (Carlson et al 2011:197).

Sennewald and Tsukayama (2006:67) and Carlson et al (2011:197) share a similar idea, namely that it is of the utmost importance for the organization to conduct vetting in the early stage of the employment process, due to the fact that once the employee has been signed into the organization, before vetting, it is difficult to dismiss him/her, considering the legal implications, even after discovering that he/she has a previous or pending criminal record. They further agree that vetting will discover dishonesty and unlawful action by the employee or the candidates (Sennewald and Tsukayama, (2006:67) and Carlson et al (2011:197))

The researcher adds that vetting is an excellent idea, as it was highlighted by Sennewald and Tsukayama (2006:67) and Carlson et al. (2011:197) that the process will uncover the deep secrets of the candidates or employees, and will also guide management to make the decision to not employ the candidate, based on adverse or hostile vetting results.

The acting crime intelligence head, General Chris Ngcobo, resigned from SAPS after it was found that he did not possess a matric certificate. General Ngcobo was the replacement of General Richard Mdluli, who had been charged with fraud and corruption, as well as charges relating to the murder of his ex-girlfriend's husband (News24, 2017).

The above-mentioned example indicates how effective vetting is and how it can assist the organization to identify dishonest employees that occupy strategic positions with or without proper credentials.

In supporting Sennewald and Tsukayama (2006:67) and Carlson et al (2011:197), Ortmeier (2013:108) submits that a vetting investigation involves a review of the resumé and the contents of the applicant's profile to ensure that he meets the requirements regarding qualifications and the specifications in respect of the position. The vetting investigation process also involves pre-employment pre-screening and psychometric test, integrity test, appropriate physical fitness test, medical examination, criminal history, driving records, credit checks, legal polygraph test and interview sessions (Ortmeier, 2013:108).

It is indeed wise to conduct a vetting investigation to ensure that the integrity and reputation of the organization prevail and are not compromised. Vetting also ensures that personnel who have information privileges may be granted a security clearance, by conducting pre-employment screening and evaluation of the vetting results (Purpura, 2011:219-225). On the same note, he further points out that a vetting investigation involves inquiries into the background of the employment applicants, as well as interviews and tests (Purpura 2011:219-225).

The vetting also endeavours to verify information such as education and experience of which details are supplied by the applicants, and checking on anything detrimental in all applicant backgrounds that can harm the organization (Purpura 2011:219-225).

Timeslive (2018) reveals that 57 Family Violence police officials (Child Protection Unit) were found to be convicted criminals. It further reveals that crimes committed by these police officers range from culpable homicide, assault with intent to do grievous bodily harm, illegal pointing of a firearm, driving under the influence of alcohol, reckless and negligent driving, fraud, loss of a firearm, to defeating the ends of justice. This statement highlights that those members cannot be trusted to execute investigations relating to the extreme levels of violence against women and children (Timeslive, 2018).

Birzer and Robertson (2012:19) indicate that Sennewald and Tsukayama (2006:67), Carlson et al. (2011:197), Purpura (2011:219-225) and Ortmeier (2013:108) are quite right in that during the vetting investigation, the applicants will be screened for eligibility by means of a review of the candidates' experience and expertise, and their qualifications. The reviews consist of assessments by means of written tests and panel interviews.

The example described by Sennewald (2013:10) stipulates that for the candidate to qualify as a specialist for forensic intelligence, forensic auditing, vetting investigator, aviation investigator, mining investigator, security consultant, cyber investigator, due-diligence investigator, profiling investigator, undercover agent or State Security agent, he must possess at least one of the following relevant qualifications: a business law diploma, accounting and psychology Bachelor's degree in security administration, security management, administration of justice, police science. Those involved in technical investigation should have at least an electrical engineering, electrical technology, architectural or Management Information Systems (MIS) degree.

Sennewald (2013:10) further indicates that the value of one's education depends on what it represents in terms of work commitment and self-discipline.

The only agent that is permitted to **temporarily** falsify his background status is an Undercover Investigator (UI) on a mission of secret inquiries to obtain information and evidence that is difficult to obtain from an overt investigation, and to infiltrate a group of individuals to gain their confidence and trust so that information and evidence shared with him can be used by decision-makers (Purpura 2011:486). He further indicates that this could also be used in vetting customer services.

Ortmeier (2013:204) gives a further explanation and states that a vetting investigation is integral to business and criminal intelligence operations, through a systematic inquiry and collection of information to identify and analyse the problem, determine facts, preserve evidence and report finding in an objective manner. He further indicates that some companies have been held civilly liable and taken to court for claims of fraud and unlawful employment discrimination, such as illegal practices in selection, promotion and retention as a result of gender, age, race, ethnicity or lifestyle (Ortmeier, 2013:205).

Former SABC Chairwoman, Ellen Tshabalala, claimed that she had obtained a B Com degree from Unisa. However, Jan van Wyk, executive director of SABC's Legal Services told a parliamentary inquiry that although Tshabalala had registered for the degree in both 1988 and 1996, she had failed to obtain the qualification on both occasions (Marisit, 2017).

Osterburg and Ward (2014:10) mention that during a vetting investigation, the Vetting Officer (VO) should focus strictly on qualifications and traits such as intelligence and reasoning ability, as well as an above-average score in a recognized intelligence test. The candidate must have the ability to use advanced computer programs related to investigation, possess curiosity and imagination, take nothing for granted, display scepticism of the obvious, have a sense of the unusual and an inquisitive mind, have a sense of awareness and insight.

Van Rooyen (2008:243) cautions that when conducting vetting, the investigator should record the full names of the target and his immediate family, phone number(s), current home and postal addresses, current or previous employer(s), credit history, judgements, and adverse financial reports.

According to Hopwood, Leiner and Young (2012:251), checking an employee's background while employed plays a major role in revealing any mischievous conduct by the employee.

Hollin (2013:247) suggests that the process of vetting may involve psychometric testing of personality traits and attitude.

Prunckun (2013:32) finds that vetting is the ability to identify, locate and access organizations.

Padgett (2015:166) adds that vetting is the product of information that has been taken from its raw state and processed, verified and evaluated for decision-making.

The following question was put to the participants: “What does the mandate for vetting entail in a forensic investigation?” From the point of view of the participants, vetting can be explained as follows:

- Vetting is the process of performing a background check on someone before offering him employment. The process involves gathering intelligence regarding the individual (two participants)
- Vetting starts during recruitment of candidates. The information that is required is a copy of the ID, physical address, assets, relatives and friends. Vetting can be conducted when there is doubt about an employee’s security clearance (two participants)
- Vetting is a process that intends to investigate the candidate’s integrity and ethical behaviour, through investigation of his personality, conduct and credentials (one participant)
- The State Security Agency (SSA) is mandated by the National Strategic Intelligence Act 39 of 1994, which was amended by the General Intelligence Law Act 11 of 2013, to conduct and coordinate Counter-intelligence (CI) (one participant)
- The remaining three participants did not respond to the question:

Moneyweb (2017) suggests that for the organization to mitigate a risk of fraud in the future, individuals would have to visit SARS branches for verification, that is, to have their fingerprints and photographs taken in order to check whether their records correspond with those of the Department of Home Affairs.

2.2.1 Designing the Vetting Process

The United Nations Development Programme Bureau (2006:19) advises that the vetting process must be designed in a way that will benefit the entire society. It should be a priority for the military, the civilian security sector, intelligence services, the judiciary, and institutions that underpin the rule of law. It further suggests that the following checklist questions should be considered when designing the vetting process:

- Is there a minimum level of stability, government authority and political will?
- Are the positions subjected to vetting clearly defined, and will the positions not have to change as a result of possible necessary institutional reforms?
- Are the subjects to be vetted clearly defined?
- If necessary, have measures been taken to regulate the process of vetting?

- Is the process open to external candidates?
- Do reliable records exist about the integrity of the subject to be vetted?
- Do reliable records exist about the competence of the subject to be vetted?
- What is the legal mandate of the vetting process?
- Is any special legislation required?
- Is there a commitment to support the vetting process, both politically and operationally?
- Is there a danger of political misuse of the vetting process?
- Is there a danger of subversion from hostile agents as a result of the vetting process?

The researcher is of the view that there should be a legal mandate. A supervisor should be in place to supervise the vetting investigators. A methodology must be designed as follows:

Introduction: a formal meeting must be held with a subject and he/she must be informed of the reason for the vetting.

The VO must be as neutral as possible

The subject must consent to the vetting process

The subject must be given an opportunity and ample time to gather the requested documents

The VO must not disclose information about a subject to a third party.

The vetting results should not be shared with third parties.

In case of the denial of a security clearance, a subject must be given an opportunity to appeal.

Five participants responded as follows to the question, “How is the vetting methodology process designed?”

- Receive a vetting file from a supervisor, review the legal issues, arrange a meeting with the subject and explain his rights to him, request information from the subject, request references, and request that the subject submit him-/herself to a polygraph test (two participants)
- A standard operating procedure must be developed (one participant)
- There should be a Memorandum of Understanding (MoU) between the company and the vetting institution. Consent should be obtained from the candidate. There should also be a test regarding the risk, threat and vulnerabilities in respect of the candidate (one participant).
- The vetting system should encompass the process from the beginning to the end (one participant).

- The remaining five participants did not respond to the question.

2.2.2 Critical Steps During the Design of the Vetting Process

The United Nations Development Programme Bureau (2006:28) warns that the following should be considered during the design of the vetting process:

- Consider the conditions and the risk of adverse results
- Consult with the subject to be vetted
- Prioritize the high-risk departments in the institution, especially the revenue collections, e.g. finance departments, licensing departments etc.
- Select the category of vetting process that is suitable
- Define the vetting criteria
- Define the expected outcomes
- Develop an ad hoc vetting directive
- Respect the law and international standards
- Identify institutional reforms to safeguard the vetting process and to ensure that high-quality personnel are appointed throughout the company.

The researcher concurs with the United Nations Development Programme Bureau (2006:28) and adds that it is of the utmost importance to officially inform the person to be vetted about the process before commencing with the process, taking cognisance of human rights, integrity and privacy. The forensic VO should act within the ambit of the law and avoid giving rise to criticism.

Only five participants responded to the following question, “What are the critical steps during the design of the vetting methodology process?”

- Legal aspects must be considered (three participants)
- Planning and evaluation (one participant).
- Completion of Z204 forms to ensure security clearance (one participant)
- The remaining five participants did not respond to the question

Though Chapter 5 of the vetting policy stresses the fact that anyone within an organ of the State must be vetted, it should be done in consideration of the subject’s constitutional rights.

2.3 Levels of Vetting During Investigations of Employment Fraud

According to Mdluli (2011:111), the level of security vetting clearance is often determined by the positive or negative content of the applicant's history that is obtained during the vetting process. The author further states that the levels of confidential, secret and top secret signify the classified information that employers or applicants will deal with during their employment. Moreover, Mdluli (2011:111) submits that the vetting official focuses on the levels of vetting to make a decision, and those levels are:

- **Confidential:** Classification is limited to information that may be used by an opposing hostile element to harm the objectives and functions of the institution. When information is compromised, everyday functions may be hampered.
- **Secret:** This classification is given to information that may be used to disrupt the effective fulfilment of the purpose of that information or operational planning, or the efficient planning of the institution, damage operational relationships between institutions and diplomatic relations of the State, and endanger the government employee's life.
- **Top secret:** When information in this category is compromised it may disrupt the effective distribution of information or execution of the operational plan, as well as discontinuation of diplomacy.

Hub (2017:04). indicates that there are four levels of government security clearance, which are:

- Baseline personnel security and an enhanced baseline standard
- Counter-terrorist check
- Security check
- Developed vetting

In explaining each level, Hub (2017:04) submits that baseline personnel security and enhancement standards are entry-level security checks and looked upon as formal security clearances. They form part of pre-employment checks that represent good recruitment and employment practice. Baseline security checks aim to provide an appropriate level of assurance as to the trustworthiness, integrity and probable reliability of prospective employees. It involves verification of identity, nationality and immigration status, employment history, and a declaration in respect of criminal record status issued by the vetting official upon receipt of information from sources such as SAPS' Criminal Record Centre.

- Counter-terrorist checks: These are used to prevent persons who may have connections with terrorist organizations or who may be vulnerable to pressure from undertaking certain security duties where sensitive information may be compromised.
- Security clearance: It is transferable between government departments and covers a wide range of jobs.
- Developed Vetting (DV): Provides substantial unsupervised access to top secret assets for employees working at intelligence or security agencies. This level examines aspects such as security clearance, completion of DV questionnaire, compilation of a financial questionnaire (in respect of personal finance), psychological assessment, and interviews with candidates (Hub, 2017:04)

According to the Australian Government Attorney General (2014:11) the levels of vetting are as follows:

- Baseline clearance – focuses on qualifications and police record
- Negative vetting level 1 – at most, concentrates on financial records
- Negative vetting level 2 – uses interviews to gather intelligence for decision-making by management
- Positive vetting – devotes all its time to psychological assessments
- Developed vetting - provides substantial unsupervised access to top secret assets for employees working at the intelligence or security agencies. This level looks into aspects such as security clearance, completion of developed vetting questionnaire, compilation of a financial questionnaire, personal finance, psychological assessment, interviews with candidates (Hub, 2017:04)

Mdluli (2011:111), Hub (2017:04) and the Australian Government Attorney General (2014:11) possess a high level of knowledge regarding the levels of vetting since they break vetting down into segments and explain them fully so that the forensic investigators can use them in their day-to-day work. They all agreed that the most important vetting levels are top secret, secret and confidential. In the same vein, they indicated that the awarding of levels depends on the kind of information that a candidate or employee is going to handle in the organization.

Of the ten participants, only six responded to the question, “What are the levels of vetting?” as follows:

- The levels of vetting are security clearances, baseline personnel security standards, counter-terrorist checks and polygraph tests (two participants)

- Top secret, secret and confidential information (four participants)
- The remaining four participants did not respond to the question

The researcher conducted security awareness presentations at all CoJ Departments. During the presentation, the most challenging subject was the vetting issue. The CoJ employees resisted the vetting concept. One of the employees stated that he had been working for CoJ Municipality for more than 20 years and he raised the question of why he had to be subjected to the vetting process now. The researcher explained to him that the National Minimum Information Security Standard policy was put in place in 1994 and it stipulates that every employee of the State must be subjected to vetting to develop trust and honesty in the relationship between employer and employee

It is the researcher's opinion that every person with the intention of extorting the organization's sensitive information from an employee might also gather information about the employees' weaknesses such as high debt, and use that to manipulate them as well as the organization. After the vetting process, the organization management will therefore make an informed decision after consulting with the legal team as to whether to move the same employee with the high debt to a position of lesser risk.

The researcher adds that employees with financial problems might be susceptible to bribery and become a risk or threat to the organization and might also be vulnerable as another person with criminal intentions might put pressure on him to divulge information.

2.4 Legal Mandate of Vetting Investigations

Mdluli (2011:54) states that SSA has the power to conduct vetting of its own employees and employers that work in government institutions, meaning SAPS, SANDAF, SSA and other service providers.

She further indicated that SSA is empowered by Act 39 of 1994 to conduct security screening in order to determine the security compliance of a person that is employed by or is an applicant to an organ of the State, or is rendering a service to an organ of the State that will give him access to classified information (Mdluli, 2011:54).

McDermott (2014:200) disagrees with Mdluli (2011:54) and provides the reason that it is clear that the vetting carried out by VOs/investigators could involve significant intrusion upon the individual's freedom, privacy, dignity and reputation, therefore it is of vital importance that

certain limits be placed on those powers in order to provide some measure of protection to the individual's fundamental rights. The right to privacy is a broad concept, which includes the right not to be encroached, disturbed at one's home, have one's body observed or interfered with, and not to have personal information revealed to others without one's consent.

However, Colaprete (2012:57) supports Mdluli (2011:54) by stating that the Privacy Act of 1974 protects government employees and certain government contractors against the release of records without a written request for consent from the individuals, but there is also provision for release of information to law enforcement for legitimate purposes. Colaprete adds that the Government enacted litigation to protect computer files as per the USA's Computer Security Law of 1987 and the Federal Information Security Management Act of 2002 to increase the level of security and privacy of sensitive information (Colaprete, 2012:57).

Even though there is disagreement between McDermott (2014:200) and Mdluli (2011:54) regarding the privacy of employees, it was confirmed by the National Strategic Intelligence Act 39 of 1994 that every individual within an organ of the State must be subjected to the vetting process. That is the reason why Colaprete (2012:57) stressed the fact that there is also provision for release of information to law enforcement for legitimate purposes.

It should be noted that human rights must be observed and taken into consideration by the forensic vetting officials when they conduct the vetting process so as to avoid being taken to labour courts for not conforming to the laws that govern the MISS.

2.4.1 Labour Court Case JR746/09

As seen in labour court case number JR 746/09, in the matter between the Public Servants Association SMD Mamabolo and Kirstein, the respondent was required to undergo the vetting process, a polygraph test, as well as an assessment of his personal records. It was later found that Kirstein's security clearance had been denied. The head of the department, Msimang, advised Kirstein that the NIA had declined his security clearance, therefore he could not be trusted to hold a director's position, and his appointment had to be terminated. It was found that the arbitrator had acted irresponsibly by failing to reinstate Kirstein because the allegations that had been made against Kirstein had not been tested and had been found to have adverse results (Saflii, 2017).

According to News24 (2015), the parliamentary staff had complained that the vetting process was intrusive, as they had been asked about their views on homosexual life and their fidelity.

The Bill of Rights (2015:7-9) in the Constitution of the RSA protects the rights of every SA citizen and affirms the democratic values of human dignity, and the right not to have their homes and property searched. However, the Bill of Rights (2015) also points out that there is a limitation of rights, as stipulated in section 36.

Businesstech (2017) highlights that Mayor Herman Mashaba asserted that the CoJ's inner city is occupied predominantly by undocumented foreign nationals who had not been vetted when they crossed SA's borders, and he requested the International Aid Agency, national and provincial governments, and the United Nations (UN) to vet the foreign nationals, as he wanted to clean up the city to attract-investors. However, human rights activists and legal experts warned that Mayor Mashaba's plan might be unconstitutional.

One should take into consideration that vetting can also be applied to screen foreign nationals before they make their way into the RSA or the CoJ. Such vetting would be for the purpose of supporting national control measures regarding the influx, socio-economic reasons, and to avoid xenophobic attacks on foreign nationals.

Vetting is more like an audit wheel, as pointed out by Businesslive (2017), namely that it is a risk assessment process that must be fair and free from bias. The High Court has warned SARS that when conducting a vetting audit, they must do it within the restrictions of constitutional laws that are an administration of the Tax Act (Businesslive, 2017).

According to Collier-Reed and Lehmann (2010:34), forensic vetting investigators should guard against inflicting damage or destroying an employee's property, or impairing someone's dignity or reputation by forcing their way into the person's home to see what it contains. They further add that the consent for vetting must expressly authorize the agent in writing and it must indicate the scope of vetting allowed (Collier-Reed & Lehmann, 2010:34).

Thomas and King (2012:1) support the point of view of Collier-Reed and Lehmann (2010:34), and advise that unauthorized disclosure of classified intelligence is regarded as significant damage to the security of the investigation, and that it requires a careful approach. They, however, disclose that during the investigation of the September 2011 attacks, the report recommended that both technical and policy barriers had limited the sharing of information collected by various agencies that, if viewed together, could have provided useful insight into the unfolding of plots. The consensus was reached that the intelligence agencies should share

information more widely in order that forensic analysts and researchers could integrate the clues acquired by various agencies in order to arrive at a meaningful conclusion.

The United Nations Development Programme Bureau (2006:13) was adamant and instructed that a firm legal framework would be required for facilitating and establishing the vetting process, as it is always contested and resisted by political powers. The Government should also include the improvement of vetting provisions during the drafting of laws, and these should be clear, precise and in compliance with constitutional requirements and international standards.

The United Nations Development Programme Bureau (2006:33) outlines the following conventions, codes and guidelines to serve as the legal mandate to ensure the maintenance of integrity with regard to vetting in the public sector policing and investigation, security, military and judicial sectors.

- International Covenant on Civil and Political Rights (1976)
- Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (1987)
- International Convention on the Elimination of all Forms of racial Discrimination (1969)
- Convention on the Elimination of all Forms of Discrimination against Women (1981)
- Four Geneva conventions (1949) and two additional protocols (1977)
- Draft International Convention for Protection of Persons from enforced Disappearance
- UN Code of Conduct of Law Enforcement Officials (1979)
- Basic Principles of the Use of Force and Firearms (1990)
- Body of Principles of all Persons under any Form of Detection or Imprisonment (1981)

During the publishing of Jacques Pauw's book titled "The President's Keeper", the (SSA) issued a 'cease and desist' letter to Pauw and indicated that the book was in violation of the Intelligence Act (Van Rensburg, 2017). The latter further stated that the SSA was threatening to apply for a court interdict that would prevent the NB Publishers from distributing and promoting the book. It further said, should they contravene the court order, criminal charges would be instituted against Pauw and any individuals who were connected or have contributed to the book. Van Rensburg (2017) further said that the letter was addressed to NB's Chief Executive Officer and Pauw, citing that the book contains sensitive information that is in contravention of the Intelligence Service Act 65 of 2002. The cease and desist letter further stated that SSA was mandated to protect the identity of its members and it had a duty to investigate any sort of security

breach of its legitimate operations and classified information. Pauw's book exposes how millions of rand of taxpayer's money flowed into the bank accounts of bogus spies, and how President Zuma compromised the RSA Government. The NB Publishers supported the book and Pauw, and they stated that their company lawyer would respond to SSA (Van Rensburg, 2017)

Gerber (2017) wrote that Pauw exposed President Zuma, who was receiving R1 million every month from the controversial tender mogul Roy Moodley without declaring it to SARS. Pauw further claimed that before the book was published, he (Pauw) had obtained extensive legal advice from a Senior Advocate who indicated to him that he should expect serious legal challenges. The statement from Pauw's legal team indicated that Pauw had obtained the information legally and that he was not intimidated by the SSA's legal challenges (Gerber, 2017).

The researcher is of the view that the mere reporting of corrupt activities does not require the application of certain statutes to constitute authorization for reporting corrupt trends but that everyone in society has the right to report an illegal act. However, if it is a legal criminal investigation, section (205) can be applied to obtain sensitive information to build an indisputable criminal case for court purposes. It is the researcher's opinion that Jacques Pauw was correct in reporting the corrupt activities that involve high-profile government officials, since the activities were compromising the RSA Government's economy, infrastructure, health, security and social development.

The MTN's senior fraud analyst (Primrose Nhlapo) sold the cell-phone records of journalists and politicians to the ex-Gupta employees (spies) for the amount of R3 750, 00. The information that was sold linked Trevor Manuel to influence exerted on Manoj Kumar to close the Gupta's accounts with Bank of Baroda due to allegations of state capture made against them (Guptas). This unlawful act constitutes a contravention of the Rica Act and corruption in terms of the Prevention and Combating of Corrupt Practice Act (POCA). The offence is punishable under Schedule 5 offences (Cowan, 2017).

The above example indicates that Primrose Nhlapo was not fit to handle sensitive information, therefore it shows that she had not been vetted before she was given a position as a senior fraud analyst at MTN.

Prevention of Organised Crime Act, 1998: The Prevention of Organised Crime Act was an Act of government constituted by the Parliament of South Africa. It introduced measures to allow prosecutors to combat organised crime, money laundering, and gang activity.

The participants responded as follows to the question, “What is a legal mandate during vetting?”

- The legal mandate applicable to the vetting process is to respect the privacy of the employees (three participants)
- Section 2A of the National Strategic Intelligence Amendment Act 2 of 2002 should be considered (one participant)
- The legal mandate of vetting rests with SSA (one participant)
- Consent should be given by the subject before vetting takes place (one participant)
- The remaining four participants did not respond to the question.

The Sunday Times (2017), in supporting Jacques Pauw, indicates that “If you want to know a man and judge his character, look no further than his company. If he keeps the company of upright, refined and law-abiding men, he himself is probably a man of integrity. But if he walks in the company of rogues and criminals, that man is probably a cheat himself”.

2.5 Polygraph Testing During Vetting Process

Mdluli (2011:61) indicates that a polygraph test may be conducted in order to determine the reliability of information gathered during an investigation to make certain, confirm or examine in a scientific manner the truthfulness of a person.

Howitt (2012:345) states that “polygraph” merely means “many drawings” several pens draw a line on a moving paper chart when this technique is used. These pens move under electric control determined by physiological responses of the body. Physiological changes produce wave patterns that may become more frequent (e.g. the suspect breathes more rapidly or more deeply)

According to Labourprotect (2017-10), a polygraph test is used to verify a person’s truthfulness and is also called a ‘lie-detector’ test. It further indicates that there is no legislation to control the use of the test or to protect the employee’s rights against the operator abusing the test. On the same note, Labourprotect claims that the constitution of SA does not sanction the polygraph test to be compelling, unless there is a consent by the person who is to be tested. Labourprotect further advises that the people to be tested must be informed of the following:

- Examination is voluntary
- Only questions discussed prior to the examination will be used
- There must be an interpreter during the testing

- Answers must not be dictated to the person being questioned and there must be no abuse of the procedure
- No self-incrimination should be allowed, therefore the subject must not confess under duress
- No threats should be directed at the person being tested

It was defined by Pavpolygraph (2017) that polygraph is a test of psychophysiological detection of deception, or verification of the truth. Polygraph testing is an instrument that measures and records several psychological responses such as blood pressure, pulse, respiration,—body temperature and skin conductivity while the subject is being asked and answers a series of questions. The theory is that false answers will produce distinctive measurements. Moreover, the polygraph has an extremely high success rate and accuracy, and is very effective in resolving crimes such as fraud, theft and corruption

According to American Psychological Association (2017), the idea that we can detect a person's veracity by monitoring psychological changes is the reality. It involves inferring deception through analysis of physiological responses in response to a structured series of questions. The polygraph test consists of a physiological recorder that assesses indicators such as automatic arousal, heart rate and skin conductivity. Rate and depth of respiration are measured by pneumographs wrapped around the chest; cardiovascular activity is assessed by means of a blood pressure cuff, and skin conductivity is measured through electrodes attached to a subject's fingertips. The pre-test interview is designed to ensure that the subject understands the questions and to induce the subject's concern about being deceptive, and also to demonstrate accuracy in detecting deception. The alternative polygraph procedure is the guilty knowledge test that involves developing a multiple choice test with items concerning knowledge that a guilty subject could have.

From ten participants, only seven responded to the question "Can you explain what a polygraph test is that is used during the vetting process?"

- The use of fingerprints to determine whether the individual has committed a crime (one participant). The answer was not in line with the question.
- To test the reliability of information submitted by a subject during vetting (two participants)

- Polygraph is a system that tests the heart rate, veins and pulse to determine deception or truth. Polygraph results are not admissible in court because the body responds to anything that is attached to it (one participant)
- It tests the honesty and integrity of the subject (one participant)
- A polygraph is a lie detector. It is used to measure and record physiological indicators such as blood pressure, pulse, respiration and skin conductivity while the subject is being asked questions (two participants)

2.6 The Objectives of the Polygraph Test

Mdluli (2011:61) asserts that the objectives of a polygraph test are to determine the reliability of information gathered during an investigation and to ascertain, confirm or examine in a scientific manner the truthfulness of a statement made by a person.

According to Colaprete (2012:294), the polygraph is used to verify the truth. It provides information about past events that can be disclosed only by the person being interviewed (Colaprete 2012:294).

This author further asserts that the polygraph machine is an instrument that records continuously, visually, permanently and simultaneously the changes in cardiovascular, respiratory and electro-dermal patterns. -Minimum instrumentation is used for testing, the results of which are used for the purpose of rendering a diagnostic opinion regarding the honesty or dishonesty of an individual (Colaprete 2012:294).

Howitt (2012:345) states that a polygraph test can diagnose the following:

- It can identify guilty people
- Eliminate suspects
- Establish the truth of a statement
- Shorten the investigation
- Increase the number of convictions by eliciting confessions.

According to Labourprotect (2017) a polygraph can be used to extract evidence from an employee who is under investigation and who also has access to the institution's assets, property and funds, if there is a reasonable suspicion that the particular employee is involved in a crime. Furthermore, it can be used to recover the economic loss such as the theft of company property, assets and funds, to detect dishonesty in a person enjoying a position of trust, and to determine

whether the employee is using drugs, alcohol or narcotics, or engaging in fraudulent behaviour. It is also used to combat the deliberate falsification of documents and to discover the true identity of people involved in the manufacture of fraudulent documents. Labourprotect (2017) further outlines that polygraph testing may not be interpreted as implying guilt but to be regarded as an aggravating factor, especially where there is misconduct or criminality.

The participants responded as follows to the question, “What are the objectives of a polygraph test during vetting?”

- To gather information from the individual and to determine guilt or innocence (one participant)
- To compare conflicting statements (two participants)
- Identify an individual who poses a threat to the organization’s security by corroborating the information provided by the subject (one participant)
- Test whether the applicant is telling the truth or not (two participants)
- To determine whether the subject has a criminal record (one participant)
- The remaining three participants did not respond to the question.

According to Pavpolygraph (2017-10), a polygraph could be valuable to an investigation as it gives the investigator the information that is required in order to establish the truth, eliminate time-wasting, reduce costs, identify possible suspects, and exonerate a subject that was wrongfully implicated. The polygraph further identifies whether a suspect is being deceptive and reduces the chances of employing a candidate that may pose security and financial risks to the institution and its management. Lastly, it enhances a relationship of trust, honesty and integrity between an employer and its employees, and reduces the chances of compromising the institution’s data.

Howitt (2012:347) indicates that there is little doubt that those who use the polygraph are convinced of its value but he stresses that although there is a value, it might be incapable of distinguishing between lies and truth. He further states that it is fairly consistently rejected but considered a useful tool in conjunction with supporting evidence (Howitt, 2012:345).

2.7 Sources of Information Used During a Forensic Vetting Investigation

According to ACFE (2014:3602), the purpose of a forensic vetting investigation generally is to identify, collate and secure all possible information and documents. This information can be

obtained from the following: Public records provide names, date of birth, identity, address, close relatives and friends, criminal background, sued or not sued, business involvement, tax fines and professional licenses (ACFE, 2014:3602).

Non-public records: banking, tax, credit, credit card account, phone history, personal health, building inspector records, building permits, blueprints and plans, public school records, coroner register, court record, civil court record, divorce record, bankruptcy record, criminal records, land registration, and commercial endeavours are obtained from the Department of Labour, licensing boards, customs and revenue agencies (ACFE, 2014:3602).

ACFE (2014:1707) further outlines that there is an intelligence pyramid that is a fundamental intelligence technique that includes researching articles in magazines, journals or newspapers. ACFE (2014:1707) further states that the second level of the pyramid involves accessing basic services such as government sources, corporate filings, annual reports and interim financial statements. The final level in the intelligence pyramid is a creative source that consists of obtaining classified, environmental impact statements and proxies' financial statements (ACFE, 2014:1708). According to ACFE (2014:62-3763), the other trade names that can be used to obtain information during investigation are as follows:

- a) IBM's 12 analysis product line, which is a visual analysis tool that helps to turn data into an intelligence report and provides innovative visualization, social network analysis to uncover hidden connections, and patterns in a data.
- b) Analyst's notebook software product for data analysis of social contact numbers during investigation by law enforcement agencies.
- c) Fraud intelligence analysis Ibase, which is a comprehensive, structured query language server database application that lets collaborative teams of analysts' capture, control and analyse multi-source data in a secure environment and disseminates the results to support an intelligence-led operations security data miner, analyst's workstation.
- d) Lexis Nexis, which provides computer-assisted legal research as well as business research and risk management.

Out of ten participants, only seven responded to the question, "What are the sources of information during vetting?" as follows:

- The sources of information during vetting are the subject or candidate's references (one participant)

- Identity number, date of birth, residential addresses and criminal record (one participant). The answer was not in line with the question.
- Information can be sourced from banks, records of assets can be obtained from SAPS, eNatis and MiE, negative information from newspapers could impact negatively on the candidate, families, relatives and friends (five participants)

2.8 Pre-Employment Vetting to Investigate Objective of Employment Fraud

Colaprete (2012:4) points out that background investigations require a vision, mission, goals and objectives to ensure that the process is aligned with the overall organizational mission. He further asserts that the background investigation process contributes to providing the Human Resources with information to help them decide whether to employ or reject a candidate (Colaprete, 2012:4).

In the same vein he submits that during the background investigation, the investigators should determine the best possible applicant's character, background and suitability for the position (Colaprete, 2012:4).

Moreover, the investigators should search for criminal records, biographical data, employment history and disciplinary interventions, financial responsibility, integrity, military history, behaviour after ingesting alcohol, driving capability, perjury or falsification of official reports, bribes and gratuities, and history of violence.

Pre-employment vetting investigation assists in determining the true and accurate qualifications of an employment applicant, as the investigation develops impartial information to assist with evaluating the information provided by the applicant, and also to uncover dishonest or corrupt employees that have access to the organization's valuable assets, or to uncover improper action by the applicants (Blake, 2013:267).

According to Mdluli (2011:40), pre-employment screening is also background screening and it is different from security vetting. Background screening is conducted by the recruiters to determine the suitability of the candidates, and security vetting commences after background screening has been conducted (Mdluli, 2011:40).

The South African Council of Education warns that individuals using fake qualifications withdraw themselves before they are exposed or caught. It further mentions that the fraudsters produce fraudulent qualifications from the University of Zululand, University of South Africa

and University of Northwest Furthermore, during 2016 about 593 complaints of fraudulent qualifications were received, in respect of which 77 hearings were instituted, where 70 persons were found guilty and seven cases were withdrawn qualifications from the University of Zululand, University of South Africa and University of Northwest (Iol, (2016)

The Minister of Higher Education and Training, Blade Nzimande, has embarked on legislative measures to curb the fraudulent qualifications and improve the prospects of prosecution. According to the South African Qualification Authority (SAQA), between October and December 2016 it uncovered 52 foreign qualifications to be fraudulent, 17 national qualifications were found to be false, and in January 2017, SAQA found that the number of misrepresented qualifications had reached 1 276 (Iol, 2017).

The researcher is of the opinion that the effort of the Minister of Higher Education is still not sufficient to curb the influx of fraudulent qualifications and that all companies must embark on vetting every applicant's qualification during the phase of background profiling.

Timeslive (2017) indicates that the Road Traffic Management Corporation (RTMC), Hawks, SAPS and Gauteng Traffic Police investigated the health professions and arrested 12 dishonest doctors for issuing fraudulent medical certificates to drivers so that they could obtain driver's licences and permits. Among those doctors there was a radiologist.

2.9 Employment Fraud

According to Wikipedia (2017), employment fraud has four dimensions, which are resumé fraud, job fraud, recruitment fraud and qualifications fraud. The dimensions are discussed below:

Resumé fraud is any act that involves providing fictitious, exaggerated, or otherwise misleading information on a job application or resumé in hopes of persuading a potential employer to hire an applicant for a job for which he/she may be unqualified or less qualified than other applicants.

Job fraud is a deceptive activity or representation on the part of an-employee or prospective employee towards an employer (Wikipedia, 2017)

Employment fraud is an attempt to defraud people who are seeking or performing employment by giving them false hope of better employment with higher wages, which they often desperately need. Employment fraud involves activities such as fraudulent misrepresentation of income by a borrower who claims self-employment in a non-existent company, or who claims a higher position such as that of a manager in a real company. It also includes promises such as easy

hiring process, easy work, and high wages for unskilled labour, flexible hours, and a small number of hours paired with a lot of free time. It is also called occupational fraud.

Wikipedia (2017) further mentioned that **recruitment fraud** involves persons misrepresenting themselves by acting on behalf of an employer to offer fictitious job opportunities. Higher Education Degree Data-check (2016) adds that there could be more types of fraud related to employment fraud, as it is linked to qualification fraud, which is a crime that is committed in respect of higher-education qualifications. It falls under forgery, trademark or copyright legislation.

Fraudulent certificates, diplomas and degrees are a very serious concern in South Africa, with more and more candidates trying to secure jobs by using fake and forged qualifications, and this kind of act damages the credibility and reputations of institutions of higher learning (Mybroadband, 2017).

The researcher fully agrees with Wikipedia (2017) and HEDD (2016) that the term “employment fraud” is a very broad description that covers a wide field, as it commences with someone faking or forging a qualification, manipulating a curriculum vitae or job profile, and securing the job to defraud an institution. At some stage, the perpetrators create a shell recruitment company, where they defraud candidates that are desperately job-hunting. This is an indication that the candidates should also apply due diligence to the companies that are recruiting them.

Mohau Pheko, a South African ambassador to Japan, claimed that she had received her PhD from American La Salle University in 2000. However, the university had closed in 1996 already when it was revealed that it was selling degrees and other academic qualifications via internet (Businessstech, 2017).

KwaZulu Natal police spokesperson, Vincent Mdungane, was expected to appear before the Durban Regional Court for sentencing after the court had found him guilty of using a false matric certificate when he joined the SAPS in 1987. This raised a serious question about vetting and verification systems that are currently used during the recruitment process in respect of civil and private employees.

The Government stated that it was determined to flush out the scourge of public servants who have misrepresented their academic qualifications and that they, the Government, would work in partnership with the Quality Council and South African Qualification Authority (SAQA) to ensure that scrutiny and verification of qualifications are rigorously applied to protect the

credibility, integrity and reputation of employers against people who possess fake qualifications as well as National Qualification Framework (NQF) (Nzimande, 2017).

The above discussion is in line with the opinion of Fish et al. (2014:242-243) who indicates that fraudulent employment occurs when a perpetrator pretends to be another person by generating false academic documents such as qualifications, birth certificate, driver's license and academic records.

The researcher is of the opinion that should a fraudulent candidate secure a job, he will sometime in the future commit crimes such as corruption, manipulation of information and tender processes, as well as maladministration.

Of the ten participants, only seven responded to the following question: "What is employment fraud?"

- Employment fraud is when a job candidate intentionally misleads the employer by submitting fraudulent qualifications to secure a job (three participants)
- An attempt to defraud people who are desperately seeking for employment by giving them false hope of better employment with high salaries (two participants).
- Employment fraud involves activities such as fraudulent misrepresentation of income and claiming self-employment in a non-existing company (one participant)
- Awarding a tender to a service provider that does not have the proper documents, such as operating licences, BEEE certificates, and without financial back-up (one participant)
- The remaining three participants did not even attempt to respond to the question above.

Jackson and Jackson (2013:468) also support the views of the above-mentioned authors and news anchors (Wikipedia, 2017), (Higher Education Degree Check, 2016:), (Mybroadband, 2017-04-25), (Businesstech, 2017-04-25), (Nzimande, 2017) and (Fish et al (2014:242-243), who stated that employment fraud is derived from forging qualifications for applications to positions, generally for economic gain.

2.10 Fraud

ACFE (2014:2201) provides insightful knowledge about fraud, namely that it means the strategies that an insincere human could design to obtain financial gain over another by means of misrepresentation, deception and other dishonest acts.

A different explanation with the same meaning was submitted by Mdluli (2011:200), namely that the elements of fraud are misrepresentation, unlawfulness and the intention to commit a crime by lying. The author elaborated that misrepresentation may be presented in black and white, or spoken. It is done intentionally, knowing that it is wrong, and that it will then cause a loss to another.

According to Taylor (2011:55-56), the Fraud Act 2 of 2006, which is applied in England, Wales and Northern Ireland, outlines that fraud is:

- False representation that must be identified;
- Failure to disclose information when there is a legal duty to do so;
- Abuse of position;
- dishonest conduct;
- Committed with the intention of gaining something, or causing a loss to another.

He further states that a person is in breach of the Fraud Act 2 of 2006 if he dishonestly makes a false representation that is misleading, including a presentation of work that is not his, such as recorded songs, paintings or engineering experiments (Taylor, 2011:55-56).

It was found that fraud constitutes many forms of misconduct designed to deceive another party in order to gain a benefit that results in financial loss suffered by the victim (Padgett, 2015:4).

Prunckun (2013:71-72) points out that impersonation also constitutes fraud, that is when an individual claims another person's identity (pretends to be someone else) in order to fraudulently obtain goods, services or other benefits that are intended for the victim.

Hopwood, Leiner and Jonny (2012: 32) state that false pretence is an element of fraud that involves intentional and material misrepresentation of one or more crucial facts with the intention of fraudulently obtaining property from a victim.

According to CPAustralia (2017), fraud is behaviour that is deceptive, dishonest, corrupt or unethical. It elaborates that to prove fraud there should be an offender, a victim, and abuse of controls that results in the misrepresentation of assets, fraudulent accounting, financial reporting and corruption.

The researcher analysed the ideas of the authors mentioned above and noted from their explanations that fraud consists of dishonest acts, misrepresentation of facts, deception either in

a document or by word of mouth, and the intention with these misleading acts is financial gain that will leave the victim with a tremendous financial loss.

The researcher's view is that fraud encompasses manipulation of all kinds of facts and to make changes to the whole situation to suit the fraudster, for the purpose of enhancement and achievement of his/her financial goal. The fraudsters are always far ahead of law enforcement and they devise ways to evade arrest.

Pasco (2013:26) agrees with the above-named authors and adds that to make a misrepresentation means to state facts that are false or untrue, to mislead the victim with inaccurate facts.

Pasco's views are supported by (Dion et al, 2016:109), (Kranacher et al, 2011:2), Piper (2014:88), Girgenti and Hedley (2016:137), who added that fraud characteristically involves some form of deceit, concealment or abuse of trust, and tends to be committed by people in positions of authority, whether professional, governmental or otherwise. They further add that fraud refers to a fraudulent act, an intentional deception, whether by omission or commission, that causes its victim to suffer an economic loss and the perpetrator to realize a gain. In their closing note they stress that fraud is a deceit, trickery, sharp practice or breach of confidence, perpetrated for profit or to gain some unfair or dishonest advantage by means of distortion of the legitimate forces of supply and demand or perception thereof by disseminating false or misleading information.

From ten participants, only seven responded as follows to the question, "What is fraud?"

- Fraud is an unlawful and intentional making of misrepresentation to another that causes prejudice or potential prejudice to another person (four participants)
- Fraud is unlawful criminal deception, intended for personal gain (two participants)
- Most of the suspects that commit fraud possess high IQs because they are able to manipulate the system (one participant)
- The remaining three participants did not answer the question

2.11 Other Types of Fraud That Can Be Identified by the Vetting Process

Prunckun (2013:70) lists a range of fraud activities, as follows:

Workmen's compensation fraud

- Welfare fraud

- Tax evasion

Taylor (2011:159) asserts that there are three types of fraud categories and those are tabled below:

2.11.1 Table 1: Fraud Categories

CASH MISAPPROPRIATION	INVENTORY AND ASSETS	FRAUDULENT DISBURSEMENT
<ul style="list-style-type: none"> • Larceny (theft) of cash already recorded in the employer's books • Sales • Understated receivables (receiving huge amount from sales but depositing less into a cash register), less than the true amount received) • Refunds • Write offs • Lapping A lapping scheme is a fraudulent practice that involves altering accounts receivable to hide stolen received payment. The next receivable is then applied to the previous unpaid receivable. • Unconcealed (when an employee takes property from the 	<ul style="list-style-type: none"> • Misuse • Larceny • Asset requisition • False sales • Purchasing • Unconcealed larceny 	<ul style="list-style-type: none"> • Billing scheme • Shell company • Non-compliance • Personal purchase • Payroll scheme • Ghost employees • Commission scheme • Workmen's Compensation Fund • Falsified wages • Expense reimbursement • Mischaracterized expenses (when an employee requests reimbursement for a personal expense, claiming the expense to be business related. • Cheque tampering • Forged PAYE (any item bearing an unauthorized payer signature) • Concealed cheque (when an employee steals, alters, or forges a cheque that is payable from the

<p>organization without attempting to conceal the theft in the organization's books and records)</p>		<p>employer's business account, and the employee also has access to the company's cheques)</p> <ul style="list-style-type: none"> • Authorized marker • Cash register disbursements scheme is a type of occupational fraud in which an employee processes a fraudulent reversal transaction on a cash register to justify the removal of cash from that cash register. The disbursement appears legitimate because the register tape shows that a merchandise return has been made. • False voids (fraud related to merchandise returns. In the case of false voids, a fraud perpetrator keeps a copy of the customer's receipt at the time of sale and later (after the customer has left) uses it to create a fictitious void) • False refunds <p>Taylor (2011:159</p>
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Nigrini (2012:171) points out that the types of fraud are vendor payment fraud, payroll fraud, sales fraud, medical fraud, cheque fraud, electricity fraud and tax evasion.

Padgett (2015:209) emphasizes that there is collaboration or collusion between employees, strategic partners, service providers, and contractors to commit the following types of fraud:

- Asset misappropriation
- Financial statement misrepresentation
- Corruption: A scheme in which an employee misuses his/her influence in a business transaction in a way that violates his/her duty to the employer in order to gain a direct or indirect benefit
- Misconduct: Unacceptable or improper behaviour, especially by an employee or professional person
- Theft of cash: that has not yet entered the employer's accounting system. Some thefts involve **money** that should have been placed into the **cash** register. For example, a customer makes a purchase, using **cash**.
- Conflict of interest, bribery, kick-backs
- Fraudulent disbursement

Queensland police (2018) state that examples of fraud include:

- Creating ghost employees not deleting ex-employees from records
- Creating bogus suppliers
- Creating bogus purchase orders
- Obtaining kick-backs and bribes from suppliers
- Suppliers providing services at inflated price
- Personal use of business resources

According to Wikipedia (2017), the victims who work for the syndicate of fraud are instructed by the syndicate leader to hire a mystery shopper (a paid agent who is hired to observe and collect data on other customers and report back to the syndicate leader), to test the money wiring services such as Western Union, and report back to the leader of the syndicate whether the application was successful.

Multilevel marketing: victims are promised an income if they recruit other victims to sell, for example, Tupperware. This is a non-salaried workforce that sells the company's products, while the earnings of the participants are derived from a second compensation commission system.

It was found by the Action Fraud service in the UK (2017-04-24) that the types of fraud include:

- Payment fraud
- Procurement fraud
- Travel subsistence fraud

McMahon (2014:103-108) indicates that there are several types of fraud, as follows:

- Economic crime schemes
- Advance-fee schemes
- Pyramid schemes
- Ponzi schemes

Dion et al. (2016:4) state that examples of fraud are: credit card fraud, embezzlement, securities fraud, bribery, extortion, perjury, mail and wire fraud, tax fraud, money laundering, forgery and identity fraud.

Kranacher (2011:4) indicates that there are other categories of fraud and those are the following:

- Asset misappropriation: involves theft or misuse of organization's assets, e.g. skimming revenues, stealing inventory, and payroll fraud
- Corruption: entails the unlawful or wrongful misuse of influence in a business transaction to acquire personal benefit.
- Financial statement fraud: involves intentional misrepresentation of financial or non-financial data to mislead others who rely on it to make economic decisions, e.g. overstating revenues, liabilities or expenses, false promises regarding the safety and prospects of investments.

From the above perspectives of Prunckun (2013:70), Taylor (2011:159), Nigrini (2012:171), Padgett (2015:209), Queensland police (2018), Action fraud is contrary to the individual's duty to his employer, e.g. receiving kickbacks (2017). According to McMahon (2014:103-108), Dion et al (2016:4) and Kranacher (2011:4), it is clear that there is a variety of fraudulent activities in the working environment that could emanate from employment fraud in the sense that when

candidates with an intention of committing fraud find their feet in the institution, they will create opportunities to do so.

Seven participants supported the ideas of the above-mentioned authors, whereas three did not respond.

The question, “Could you explain the types of fraud?” was answered as follows:

- Types of fraud are corruption, misappropriation of assets and funds, and financial fraud (two participants)
- Categories of fraud are cheque fraud, pyramid schemes, internal fraud, Web site misdirection, charity fraud, identity fraud, credit card fraud, debt consolidation and insurance fraud (one participant).
- Phishing and solicitation of bribes (one participant)
- Fraudulent qualifications, money laundering and Ponzi schemes (one participant)
- Corporate fraud, influencing of decisions, conflict of interest, falsifying information (one participant)
- Distortion of a truth (one participant)

2.12 Manifestation of Fraud

According to Prunckun (2013:72), fraud emanates from identity fraud as it provides anonymity for criminals to carry out monetary theft. He further elaborates that there is a way for criminals to steal personal information by harvesting sensitive and classified information from the computer database, Internet, social media (by searching for contact numbers of individuals, as well as, names and addresses), e-mail addresses, credit card details and confidential security keys or (pin codes). It is called social engineering.

Mdluli (2011:200-201) highlights that fraud occurs during normal operation of daily activities and is often perpetrated by individuals in positions of trust. She further states that it takes place when the activities are not safeguarded and when the motivation and opportunity present itself. She also indicates that the cause of fraud could be one of the following:

- Dissatisfaction regarding salary or fringe benefits
- Unrealistic pressure from the organization to perform
- A feeling of being exploited
- Need or greed

Taylor (2011:129) says that fraud is committed by professional criminal syndicates that use identity theft, stolen credit cards and computer hacking to gain access to the government's finance departments.

The most trusted citizen stages a minor incident to appear to be a major injury in order to claim from the insurance. The claim is usually exorbitant and the claimant always convinces the insurance to settle out of court (Manley, 2009:249).

Queensland police (2018) highlights that fraud could be motivated by pressure, opportunity, or rationalization.

Pasco (2013:2-4) indicates that most criminologists agree that opportunities in the working environment inspire individuals to engage in fraudulent activities. He further adds that the moment of opportunity for fraud is created by ineffective internal controls that allow individuals to commit fraud in the organization by taking advantage of circumstances available to them (Pasco, 2013:2-4).

Jacobs (2013:13) states that bad parenting produces a variety of fraudsters. He further points out that psychological conditions and imagined wealth contribute to fraud (Jacobs 2011:13)

According to Dion et al. (2016:144-145), a stressful situation in which an employee finds him/herself is a major force in every episode of fraudulent activities, when such employee sees fraud as an easy way to eliminate his/her financial problem, followed by cognition, which refers to one's ability to understand the fraud and evaluate it. The authors further indicate that personality, as well as behavioural disposition such as overconfidence could prompt one to commit fraud. In the same vein, they caution that the state of one's biological self-regulatory system, with emotions such as fear, could motivate one to behave foolishly, which in turn reduces the ability to show good judgement (Dion et al, 2016:145).

Dion et al (2016:136) further point out that the other contributory factor to fraud is undue influence, which is a rational dynamic that occurs between an individual of strong mind and an individual of weak mind, and that it involves unfair persuasion. They further explain that fraud results from the organization's failure to prevent and detect misbehaviour of its employees and executives.

ACFE (2014:4211) contends that the following aspects contribute to fraud:

- The economy increasingly runs on credit, which means a rise in personal debt
- New information technology means that the opportunity for the commission of fraud is growing at an alarming rate
- Security vehicles carrying large amounts of money entice criminals to commit crime.

ACFE (2014:4229) further states that fraud is caused by a perceived opportunity, pressure and rationalization.

A psychologist, Walters (2012:40), found that the five items that contribute to fraudulent activities are (i) lack of child support from birth, (ii) becoming a school dropout, (iii) an employee who has been in the same job for a long time knows sensitive information about the organization and it is easy for him to commit a fraud if the opportunity arises, (iv) fired from job or quit without having an alternative, (v) indulging in drugs and alcohol abuse.

The analyses of the above named authors, namely Prunckun (2013:72), Mdluli (2011:200-201), Taylor (2011:129), Queensland police (2018), Pasco (2013:2-4), Jacobs (2013:13), Dion et al, (2016:136), ACFE (2014:4211), Manley (2009:249) and Walters (2012:40) are in agreement, as they highlight that fraud originates from identity and personal information theft, by officials in position of high trust, as a result of greed, criminal syndicates, pressure, opportunity, rationalization, motivation, psychological conditions, biological self-regulatory system, strong or weak mind, economy, technology and the high demand for qualification credentials in a professional society.

The researcher agreed with the above-named authors and indicated that though much has been discussed, there is one factor that was omitted, and that is the high rate of unemployment. This issue contributes much to the commission of fraud. It puts pressure on people who do not have a formal education, and in this respect the Government is to be blamed, because these people were less privileged. One could ask why blame the Government, and the reply would be because their administration is inefficient, meaning that they take their time to respond to issues such as the high unemployment rate, socio-economic factors, housing and, of course, the basic needs of society.

The above-mentioned views are supported by Durrant (2013:8), Jacobs (2011:11) and Kranacher (2011:12-13). They add that there are several aspects that contribute to crime, outlined below:

- Family environment: abusive parenting and lack of parental supervision

- Biological factors such as the genes that people inherit and the way their brains work
- Psychological factors such as impulsiveness, lack of empathy and low IQ
- Lack of education opportunities, an unfair economic system, poor job opportunities
- Situational factors that result in an opportunity to commit a crime, involvement with criminal peers, and the use of alcohol and undesirable substances

They further add that the psychologically influenced mind that results from the use of undesirable substances/chemicals such as drugs, produces feelings of being superhuman, a robot and having a bulletproof entitlement, which in turn contributes to the commission of fraud.

Moreover, they stressed that fraud emanates from the following:

- Living beyond one's means, greed, high debt, poor credit, family medical bills, investment losses, children's educational expenses, gambling, drugs and extramarital affairs
- Opportunity: e.g. management overrides policies
- Rationalization, dissatisfaction with a job, no recognition at the workplace, low compensation, and attitude

In closing, they further add that the manifestation of fraud can be called MICE:

M – Money - Cash

I – Ideology - System

C – Coercion - Pressure

E – Ego – Self-worth

The occurrence of fraud must be deterred and discouraged by applying vetting as a key method. Also, governance in the government institutions must be “clean”, in order to provide society with what is needed most by the citizens, namely trust in the Government (Lumumba, (2017).

Seven participants responded as follows to the question “How does fraud manifest itself?”

- Fraud originates from greed, rationalization, gambling, bad habits and opportunities arising from poor internal controls (two participants)
- Overriding of internal controls in order to commit fraud (one participant)

- Lack of fraud awareness (one participant)
- Identifying concealment of misrepresentation (one participant)
- Internal misrepresentation (one participant)
- Someone impersonating another, with the intention of defrauding him (one participant)
- Three participants did not respond to the question.

2.13 Summary

It is very important to ensure that all the service providers that are providing services to the State are also vetted to avoid the risk of losing exorbitant amounts of funds. A vetting process is particularly meant not to intrude on or discriminate against the candidates and prevent them from flourishing but to ensure that HR and the candidates comply with the recruitment policy and do not engage in fraudulent employment that could lead to occupational crimes such as fraud, corruption, and embezzlement, money-laundering as well as racketeering.

It is of the utmost importance for the organization to conduct vetting in the early stage of the employment process, due to the fact that once the employee has been signed into the organization, before vetting, it is difficult to dismiss him/her, considering the legal implications, even after discovering that he/she has a previous or pending criminal record. They further agree that vetting will discover dishonesty and unlawful action by the employee or the candidates.

Vetting investigation involves a review of the resumé and the contents of the applicant's profile to ensure that he/she meets the requirements regarding qualifications and the specifications in respect of the position. The vetting investigation process also involves pre-employment pre-screening and psychometric test, integrity test, appropriate physical fitness test, medical examination, criminal history, driving records, credit checks, legal polygraph test and interview sessions.

The author further states that the levels of confidential, secret and top secret signify the classified information that employers or applicants will deal with during their employment.

It is clear that the vetting carried out by VOs/investigators could involve significant intrusion upon the individual's freedom, privacy, dignity and reputation, therefore it is of vital importance that certain limits be placed on those powers in order to provide some measure of protection to the individual's fundamental rights. The polygraph test consists of a physiological recorder that assesses indicators such as automatic arousal, heart rate and skin conductivity.

The objectives of a polygraph test are to determine the reliability of information gathered during an investigation and to ascertain, confirm or examine in a scientific manner the truthfulness of a statement made by a person.

CHAPTER 3: THE IMPORTANCE OF CONDUCTING VETTING IN AN ORGANIZATION

3.1 Introduction

In the financial arena, the name of the game is money, make it now, make it fast, make a lot (Dion et al, 2016:183). These authors further assert that to some players in this financial game, the question of whether to play fairly, unfairly, legally or illegally is not debated. Their only issue of concern is how much money, how fast and what their chances are of being caught, and last but not least, what kind of instrument can be employed to enable them to commit an undetectable crime (Dion et al, 2016:183).

The researcher expresses his feelings relating to the message above by concurring with Dion et al. (2016:183), and indicates that it seems that the fraudsters are way ahead of law enforcement agencies, risk officers, auditors, police officials, crime analysts and investigators in the sense that the righteous people are always at the tail end, chasing the damages and planning to conduct a damage control, whereas damage has already been done, hence forensic vetting is very important as a technique to prevent all the damage and build a preventive wall that will dissuade the economic criminals from their ill thoughts.

The researcher's idea is that there is a definite necessity for the institutions in governmental, organ of the State and private spheres to adopt the forensic vetting practice to minimize fraudulent activities in their organizations.

It is worth noting that forensic vetting can be utilized as an internal and external control, as it is an important step in the right direction in order for the organization to prevent and detect employment fraud (Albrecht et al, 2016:39).

The following extract from media is the indication as to why is it important to conduct vetting:

The Tshwane Executive Mayor, Councillor Solly Msimanga, failed to verify the qualifications of Marietha Aucamp after he had awarded her a score of 23 points during the interview panel. The assessment centre and a personal information sheet dated 10 October 2016 indicated that Aucamp had matric and a B Tech qualification. The work profile of Aucamp indicated only that she was an acting chief of staff in Msimanga's office and a chief whip of the Democratic Alliance (DA) and there was no mention of qualifications whatsoever (Iol, 2018).

It is necessary that the Doctor of Philosophy (PhD) awarded to the Zimbabwean first lady, her highness Grace Mugabe, should be thoroughly scrutinized and interrogated, since a report appeared in News24 (2018) that investigators of the Zimbabwean Anti-Corruption Commission (ZACC) had arrested Professor Levi Nyagura, the head of the University of Zimbabwe, over fraudulently awarding a PhD to Grace Mugabe.

It was further alleged by Gordon Nguni of ZACC that Grace Mugabe might be innocent in the conferment of a fraudulent academic degree upon her, as her husband was a university chancellor by then (News24, 2018).

It was put as a direct order to the university head, according to Phyllis Chikundura (ZACC spokesperson), that the paper trail must be produced so that the investigation could determine the true status of Grace Mugabe's registration and academic advancement (News24, 2018).

After the thesis had been retrieved from the archive it was discovered that it was not a dissertation worthy of a PhD but a compilation of plagiarized literature from newspapers, television and radio, and it was posted on the university Web site only after the incident had been discovered (News24, 2018-02-08).

The question was why it took the University of Zimbabwe four years to publish the thesis, as it had been conferred upon Grace Mugabe in August 2014 (Eye witness news, 2018).

Grace Mugabe's thesis in sociology was later named the greatest academic fraud in history, as it makes reference to studies published in 2016 and 2017, whereas the PhD had been conferred upon her before that time. The incident severely tarnished the name and integrity of the University of Zimbabwe (Eye witness news, 2018).

Several institutions raised their concerns regarding the same issue, hence the vetting strategies are required in order to act on the issues raised United Nations Development Programme Bureau, 2006:7).

In light of what was discussed by Dion et al (2016:183), Albrecht et al (2016:39), Iol (2018), News24 (2018), News24 (-2018-02-23), News24 (2018), Eye witness news (2018) and (United Nations Development Programme Bureau (2006:7), it is clear that the government and private institutions world-wide are in a very relaxed mode in the sense that they are not conducting vetting investigations to identify fraud, and this creates unfavourable conditions for them, hence

the University of Zimbabwe found itself in an awkward position that has posed difficult questions to be answered.

Out of ten participants, only seven responded to the question, “How is vetting applied in order to identify employment fraud?”

- Pre-screening is used to determine the authenticity of the record of a candidate. Screening evaluates the criminal record, credit record, legitimacy of qualifications and confirmation of employment history (seven participants)
- The remaining three candidates did not respond to the question.

The researcher extracted ideas from other authors that discussed employment fraud. The researcher elaborated in the chart to indicate how instrumental forensic vetting is. Vetting can be used to identify, discover or reveal, prevent, investigate, and be reactive as well as proactive. The researcher is of the opinion that should vetting be properly carried out for each candidate, the crimes identified in the chart that emanate from employment fraud could be blocked and should reduce the risk of damage and losses in the work environment. The participants responded as follows to the question “What is the importance of vetting in the organization?”

- It was said by one (1) participant that during the vetting process, fraudulent information about the individual concerned would be uncovered
- Through analysis of the information submitted by the subject, aspects such as misrepresentation, unlawfulness and intention to defraud would be detected (one participant)
- Vetting can be conducted by means of a lifestyle audit (one participant)
- Vetting ensures that the candidates are who they say they are and that they are security-cleared (one participant)
- Proactive measures could be taken to determine whether the subject is susceptible to corrupt activities, e.g. by examining their honesty, integrity and ethics (one participant)
- If the candidate is found to be unsuitable, he will be disqualified, and if an employee is found to be guilty of fraud, he will be dismissed, a criminal case will be opened, and the funds will be recovered (one participant)
- The remaining four participants did not respond to the question.

Below illustration was extracted from Dion et al (2016:183)

3.1.1 Figure 1 - The Role of a Vetting Investigation in an Organization



3.2 The Purpose and Objectives of a Vetting Investigation

According National Strategic Intelligence Act 39 of 1994, the purpose of vetting investigation is firstly to gather, correlate, evaluate and analyse domestic intelligence to identify any threat or potential threat to the security of the Republic or its people. Secondly, such investigation is carried out to fulfil the national counter-intelligence responsibilities, and for that purpose to conduct and coordinate counter-intelligence and integrate information regarding counter-intelligence in order to inform the president of the Republic of South Africa (RSA) of such a threat and supply intelligence relating to such a threat to SAPS for the purpose of investigating an offence or alleged offence. Supply intelligence threats reports in respect of such a threat to the Department of Home Affairs for the purpose of subverting any hostilities by immigrants, e.g. if there is any information relating to terrorists planning to bomb a certain area, vetting will be able to identify it.

The Public Service Commission (2009:35) indicates that the purpose of vetting is to determine the following:

- The nature of transgression/criminal acts committed
- Risk posed by the transgression in relation to the requirement and nature of the job to be performed
- Age of the person at the time of transgression
- Frequency of similar transgressions
- Time that has elapsed since the job application
- Educational qualifications
- Employment history and previous performance assessment

In the same vein, the National Strategic Intelligence Act 39 of 1994 outlines that a vetting investigation is conducted to determine the security competence of a person, if such a person is employed by or is an applicant to an organ of the State, is rendering a service or has given notice of the intention to render a service to an organ of the State, and which service may give him or her access to classified information and intelligence in the possession of an organ of the State, or give him or her access to an area designated as a National Key Point (NKP) in terms of the National Key Points Act of 1980 (Act 102 of 1980).

It is further pointed out in the National Strategic Intelligence Act 39 of 1994: 6 that in performing security vetting, a specialized intelligence investigator may use a polygraph to determine the

reliability of the information generated during the investigation and to gather information relating to criminal records, personal information and financial records. Interception and monitoring of the communication of such a person shall also be conducted. The National Strategic Intelligence Act 39 of 1994 further stipulates that the head of the relevant intelligence structure may, after evaluating the information gathered during a vetting investigation issue, downgrade, withdraw or refuse to grant a security clearance (National Strategic Intelligence, Act 39 of 1994)

According to Mdluli (2011:33-35), during September 2010 the Public Service Commission presented a report in Parliament, revealing that there had been a 78% increase in the costs of financial fraud/misconduct in just one year, namely from R21, 7 million in 2007/2008 to over R100 million in 2008/2009, and only R9, 9 million -had been recovered by the Government.

Explaining further, Mdluli (2011:33-35) outlines that vetting contributes towards the establishment of national harmony through the coordination of sectorial strategies against corruption, to advise the Government of national initiatives regarding the implementation of strategies to combat corruption, to share information and best practices-in respect of sectorial anti-corruption efforts, and to advise the various sectors about the improvement of these anti-corruption strategies.

Mdluli (2011:33-35) further cited the message of Dr SC Wells in addressing Parliament in Cape Town on 5 May 2010, that “We are going to increase our counter-intelligence capacity in order to assist the government in the fight against corruption, we shall conduct regular screening of those entrusted with state resources, we shall extend our vetting programme to provincial and local government spheres”.

On the same note, Advocate Mdluli (2011:33-35) indicates that the purpose of vetting is to decline or revoke security clearances of applicants who have displayed dishonesty or a lack of integrity, thus leading to doubts regarding their reliability; transferring or dismissing applicants who have demonstrated unreliable behaviour, which may include susceptibility to bribes or being influenced or compromised; re-vetting employees on a regular basis, ensuring that there are financial disclosures by all public servants; supplying where necessary, intelligence or information relating to any threat or potential threat to the security of SA to SAPS for the purpose of investigating an offence such as fraud in terms of the National Strategic Intelligence Act 39 of 1994.

The researcher provides the example that the same former General Chris Ngcobo was denied a security clearance as he had falsified his curriculum vitae, stating that he had a matric certificate, which he did not.

During August 2017, the police's top management appeared before the Police Portfolio Committee to explain why 50 heads of SAPS departments had not been vetted. General Mothiba responded that SSA does not have sufficient capacity to conduct vetting, therefore constables from SAPS integrity management are tasked to conduct vetting of Generals. These Generals objected and indicated that they wanted to be vetted by police officers at a higher level, such as captains and above (Maqhina, 2017).

According to ACFE (2014:3646), vetting involves perusing the criminal court records to determine whether a person has a history of misconduct, and these records are used during employee screening and investigation. In employee screening, the purpose is to prevent the hiring of someone with a criminal record, who will be unfit to serve in a position.

Fennelly (2012:69) outlines that the purpose of vetting is to identify what has to be protected:

- To ascertain current risk
- To determine threats
- To ensure that by considering the vetting report, management can combat the identified risk and threat in a proactive manner.

Lee (2009:9) indicates that vetting is used to eliminate appointment of untrustworthy employees and identify fraudulent documents submitted by candidates, promote effective communication and coordination between the public and private sectors, eliminate the lack of trust between Government and the private sector in respect of information sharing, and to reduce legal obstructions to sharing classified information between the Government and the private sector. Lee further mentions that vetting is essential for protection against terrorism, proliferation of nuclear technology, chemical warfare, biological warfare, information infrastructure attacks, narcotics trafficking, foreign intelligence services, sabotage, workplace violence, theft, espionage, bomb threats and cyber threats (Lee, 2009:27-28).

According to the Public Service Commission (2009:17), the MISS issued by the NIA, which is now the SSA, vetting is carried out to determine the person's security competence by verifying

citizenship, financial/assets, qualifications, and carrying out pre-employment checks on aspects such as references.

After the OR Tambo heist in 2017, SSA's Mhlobo instructed that the police and security officials that are posted at the airport must be subjected to a vetting process to promote integrity and to curb fraud and corruption (Eye witness news, 2017).

The National Strategic Intelligence Act 39 of 1994 initiated the vetting process to protect the stability of the nation. Similarly, the Public Service Commission (2009:35) supported the NSI Act, Act 39 of 1994 to ensure that the vetting process prevails. Mdluli (2011:33-35) conducted much research of the MISS also supports the NSI Act, Act 39 of 1994). The most important points that were listed in the above discussion are eliminating threats, discovering fraudulent employment, gathering intelligence, issuing security clearances, protecting classified information, combating corruption and promoting integrity.

It is therefore evident that vetting is a very intelligent forensic tool that could be utilized and trusted to provide positive results to save the organization from fraud and corruption.

ACFE (2014:3646), Fennelly (2012:69) and Lee (2009:9) concur with the ideas of the National Strategic Intelligence Act 39 of 1994, the Public Service Commission (2009:35) and Mdluli (2011:33-35) agree that by using vetting, investigators are able to identify criminal records, risks, threats, vulnerability of employees (when he/she is put under pressure by hostile people to provide them with sensitive information about the organization), and to protect strategic infrastructure against terrorism and attacks.

The researcher applauded the above-mentioned authors since they have managed to highlight the purpose of vetting to a large extent,-because without vetting, their organizations would run at a financial loss and experience fraud, corruption and other such crimes.

News24 (2017) reports that the Mpumalanga Mayor, Mr Vusi Motha, survived a hit for allegedly cancelling tender contracts worth more than R300 million, which had been awarded to a joint-venture company with no credentials/qualifications, owned by Stephen Mapondo Sitsha and Bass Qhawe Mdlongwa, for the upgrade of 3 km of rural road, the installation of 940 smart meters without council approval, as well as paving of a street less than 1 km long.

The researcher is of the view that from the above report it is evident that a vetting process had not been conducted before the R300 million tender contract was awarded to Stephen Mapondo Sitsha's company. If vetting had been carried out beforehand, such an incident would not have happened.

Businesslive (2017) points out a case of employment fraud or irregular appointment of a company that possessed no business plan or the requisite capacity to run a broadband operation for the acquisition of a 900 km broadband network in the CoJ Municipality in the amount of R1, 3 billion in 2015. This employment fraud resulted in the suspension of a senior official who had denied the investigators access to a number of devices such as laptops that were believed to contain crucial information relating to the investigations.

Eye witness news (2017) announces that Professor Ray Marcus and the Deputy Vice-Chancellor of the University of Johannesburg (UJ), Jaco van Schoor, had stolen R25 million and channelled it into their private businesses. The fraud occurred over a period of three years.

The researcher advises that it is of the utmost importance to conduct the vetting process, in view of the above-mentioned scenario, it does not matter whether the employee is an executive director; vetting must be conducted at all costs so as to detect and deter any criminal element in the organization.

In view of the most devastating and cruel crimes of terrorist attacks around the world it is evident that the vetting tool is not applied by foreign countries to minimize terrorist attacks and killing of innocent people.

Eye witness news (2017) that an unknown man drove straight into a crowd of pedestrians-and that 13 people were killed and 32 injured. This act was treated by the Barcelona police as a terrorist attack. It highlights the importance of vetting, as the driver was unknown and had fled the crime scene. Based on this example, the researcher advises that local and foreign nationals should be vetted to protect the lives of people against planned terrorism activities.

According to the United Nations Development Programme (2006:7), the vetting process assesses the integrity of applicants to determine their suitability for public employment, and toughen compliance with policies and professional conduct, including personal financial discipline.

The UN's report further outlines that vetting has the specific aim of transforming institutions involved in serious abuse of the organization's finances and assets as well as re-establishing community trust (United Nations Development Programme, 2006:7). The report also emphasizes that institutional reform is an integral part of developing policies in response to serious abuse, and that it enables institutions in the policing, security and judicial sectors to accept their accountability in criminal matters so as to prevent action being taken against them. Vetting requires a measure of stability and authority to regulate access to positions of power (United Nations Development Programme, 2006:7).

The researcher added that the CoJ structures are highly contaminated and do not conform to the institution's general rule of law.

The literature indicates that by using vetting it is possible to identify a criminal record, risk, threat, vulnerability, protection of terrorism and attack on the strategic infrastructure.

The participants responded as follows to the question "What is the purpose of vetting":

- The purpose of vetting is to evaluate an individual's character, attributes, background and actions (two participants)
- To verify the credibility of candidates, for example that they have legitimate qualifications (one participant)
- To evaluate integrity and honesty, and to determine whether individuals in critical positions can handle sensitive information (three participants)
- To determine the level of risk that might apply when employing a candidate
- The remaining three participants did not respond to the question.

3.3 The Purpose Examining Fraudulent Information that has been Identified by Means of the Vetting Process

According to ACFE (2014:3104), fraud examination is a methodology/technique of analysing allegations of fraud that have been obtained from the start to the end of the investigation. It seeks to obtain facts and evidence to help establish what happened, identify the responsible party, and provide recommendations where applicable. ACFE (2014:3104) further indicates that fraud examination determines which Act has been contravened by the perpetrator, what information has been obtained by the investigator during profiling, and it examines the expert findings obtained from the evidence, as well as statements from the witnesses.

Fish et al. (2014:266) state that during the fraud examination, the forensic investigator must photograph the layout of the scene and the documents found at the scene. They further point out that the document suspected of being fraudulent must be handled as little as possible and secured in a way that prevents any further handling, folding, marking or impressions (Fish et al., 2014:267). In addition, it may be prudent to secure computers, printer seals, papers and notepads.

The researcher agrees with ACFE (2014:3104) as well as Fish et al. (2014:267) and shares the idea that as soon as the fraud scene has been identified, it must be treated with the necessary care to avoid contamination of the evidence. If it is an Internet facility that generates fraudulent qualification certifications, all electronic equipment such as computers, laptops, printers, scanners and hard-drives must be photographed, seized, collected, packaged, sealed, preserved and marked with the relevant storage recognition numbers and be transported to the forensic laboratory for expert examination. Every official who lays his hand on such evidence must account for it by inscribing his signature or by making a statement with regard to the chain of evidence. All fraudulent or questionable documents must be sent to the Document Analysis Unit. Paper copies of fraudulent qualifications such as certificates, diplomas and degrees must be sent to Umalusi (Umalusi Council for Quality Assurance in General and Further Education and Training) for further examination. The officials at Umalusi must then provide the investigator with a report indicating the status of those fraudulent qualifications on their database. A criminal case must therefore be opened and the suspect must be processed.

The participants responded as follows to the question: “How is the identified fraudulent information examined?”

- The information must be booked out to SAPS for analysis and examination to prove misrepresentation (two participants)
- Safeguard the scene, preserve evidence, collect the data, take corrective action and report (one participant)
- Collate the information and analyse the documents submitted and also conduct interviews with the subject (one participant)
- The investigators examining the information must possess the required skills to examine information, be able to use the relevant software, and testify, based on direct examination (one participant)
- Verify qualifications, loans, assets and liabilities (one participant)
- The remaining four participants did not respond to the question.

Timeslive (2018) reveals that a retired auxiliary nurse, Vusimuzi Jeremiah Dlamini, had stolen the identity of a doctor and opened an unregistered medical practice behind his own house. It was further discovered that the retired nurse charged R350, 00 per patient. The Directorate of Priority Crimes (Hawks) served Dlamini with a search warrant and seized documents, medical apparatus, a medical bed, computer, patient files, a 9 mm pistol with live rounds, and an undisclosed amount of cash.

It was further noted that there is concern about the mushrooming of the number of illegal practitioners who have excellent forgeries of fraudulent qualifications from top universities (Timeslive, 2018).

The researcher questions who is responsible for verifying the qualifications of the private practitioner. The answer is that law enforcement should be responsible for security awareness and encourage the whistle-blower to report any suspicious fraudulent practices.

3.4 The Objectives Evaluation of Vetting Information to Identify Risk

From a psychological forensic perspective, a risk consists of a set of variables and circumstances that increase a person's likelihood of individual instability and violence (Fennelly 2012:24).

Standford (2010:1066), points out that risk evolves from danger, vulnerabilities and untrustworthiness. Stanford (2010:1066) points out that people are deemed good or bad on the basis of their risk profiles.

Petersen (2012:14) advises that a risk analysis makes it possible to identify the possible risk that the company might encounter so that measures might be put in place to mitigate that particular risk.

Risk is a possible loss resulting from inadequate or failed internal controls or processes, or rather uncertainties (Beekarry, 2013:26). A risk evaluation is a thorough examination or assessment of a work environment to identify any possibilities or contributing factors that could lead to loss and reputational damages resulting from inadequate internal controls (Beekarry, 2013:26)

Risk is a product of uncertain events or contingency (Collier-Reed & Lehmann, 2010:279).

It is clearly explained by Shane and Hunker (2013:56-57) that organizations have to develop a credible risk profile by conducting an effective risk assessment.

The participants responded as follows to the question, “How can information discovered during vetting be evaluated to identify risk?”

- According to the participant, the VO must evaluate the information that was submitted by the subject in order to authenticate his/her credentials (one participant)
- Assess the impact and the likelihood of the identified risk (one participant)
- Evaluate bank accounts, service provider accounts, and determine security competence, integrity, honesty and transparency (three participants)
- Evaluate accuracy and reliability of subject’s information (one participant)
- The remaining four participants did not respond to the question.

According to Eicher (2009:113), risk is anything that increases the potential future loss and reputational damage in the daily operation of the organization.

Eskom posed a high risk to SA’s economy, as it was involved in irregular expenditure and corruption scandals linked to the Gupta family. It was concluded by the parliamentary committee that the Government should clean up the management structure and appoint-personnel that are credible, independent and non-conflicted.

3.5 The Value of Vetting Information to Determine Security Threat

Fennelly (2012:24) asserts that threat analysis is a tool that provides managers with details of the factors that have the potential to harm the organization. He further claims that a threat includes adverse consequences such as insider/outsider collusion, as well as theft and sabotage that could damage critical infrastructure, for example by manipulating data on computer servers and fabricating negative publicity (Fennelly, 2012:24).

Ratcliffe (2009:148) indicates that a threat assessment examines the nature and magnitude of a specific situation that could pose harm to people, assets, information and the organization.

It should be noted that a threat assessment makes a determination after evaluating the documents on hand, about a subject’s behaviour and profile, and it is not based on guesswork, assumptions or hearsay regarding the subject (Calhoun and Weston, 2009:21).

Hopwood (2009:191) reminds us that threats are represented by system-related individuals or events that result in losses to the organization, and they can be either active or passive. Active

threats are the acts of individuals such as hackers or saboteurs, whereas threats are random events, accidents or acts of nature.

Of the ten participants, only six responded to the question, “How is vetting information evaluated to determine a threat?” as follows:

- All sources of information submitted by the subject must be scrutinized to determine whether the subject is susceptible to risk and threats to the organization (two participants).
- The threat will be determined by the subject’s security clearance being issued or denied (one participant),
- A person who sources critical information from the organization and uses it against the company is presumed a threat. A high volume of unmanageable debt is also a red flag, indicating a threat (one participant).
- Assess whether the impact of a threat is high or low (one participant).
- The remaining five participants did not respond to the question.

A threat assessment is a process by means of which analysts assemble-and interpret information in order to assess the threat faced by a potential target (Shane and Hunker, 2013:179). A target may be a person with knowledge of an organization’s economic interests or valuable intellectual property that must always be kept confidential. All this outside interest emanates from adversaries with an intention of infiltrating the company’s computer server and strong-room for their own criminal gain or to engage in terrorism.

The following case is an example of a threat to an organization: Mpumalanga Hawks anti-corruption commander, Captain Richard Nkwanyana, stole an amount of R440 000, 00, which was seized by the Intervention Unit in Cape Town. Captain Nkwanyana possessed information from the SAP 13 stores that there was no evidence linking the suspects with the crime (Businesslive, 2017-10-04)

3.6 Analysis of Vulnerability Based on Vetting Evaluation

Prunckun (2013:106) points out that vulnerability occurs when a person who is employed by a targeted organization is being threatened, based on the negative information from his profile obtained by a hostile agent forcing him to divulge some information from that particular organization.

Thereon and Asquith (2012:15) assert that the legal classification of vulnerability is extensive and differs from one jurisdiction to the other. The participants responded as follows to the question, “Please explain vulnerability based on information obtained during vetting”.

- The participants said that a high volume of debt renders a subject vulnerable and this might lead to his susceptibility to manipulation of information and providing it to competitors or to hostile people (four participants).
- Vulnerable subject provides unreliable information (one participant).
- The VO relies on unreliable information (one participant). The answer was not in line with the question.

Ratcliffe (2009:155) is of the view that an employee becomes vulnerable as a result of an action he committed in his past, and he is then intimidated and threatened with exposure in order to convince him to divulge the organization’s sensitive information. He also indicates that this occurs mostly in the attractive economic sectors where criminals intend to penetrate and manipulate the systems of the organization. He highlights that vulnerability may result in negative consequences such as harmful physical psychological reactions, and adversely affect the person’s social life. This situation might in turn cause the employee to commit crimes such as fraud, corruption, bribery and theft (Ratcliffe, 2009:156).

Hoopwood et al (2012:191) mention that an example of vulnerability is when there is a weakness in the information security system management that results in exposure to threats.

3.7 The Purpose of Evaluating Risk, Threat and Vulnerability During Forensic Vetting

Ratcliffe (2009:148) indicates that the purpose of an evaluation in respect of risk, threat and vulnerability, based on data collected during the forensic vetting engagement, is carried out to provide decision-makers with a clear picture of undesirable events, current and potential probabilities, consequences, and recommendations to eliminate, minimize or address the specific risks, threats and vulnerabilities of an organization. He further states that the purpose of such an evaluation is to facilitate decision-making regarding the setting of priorities, planning and programme requirements, strategies and policy development (Ratcliffe, 2009:148). Moreover, he states that the evaluation also examines the capabilities and knowledge available to individuals that allow them to engage in criminal activities, as well as the level of intention and the confidence the subject displays in his engagement in an unlawful act.

Thomas and King (2012: VIII) advise as follows:

- a) Vetting facilitates information sharing about terrorism among government institutions.
- b) Vetting information could further be shared among private institutions, enforcement agencies, security and public safety, as well as used in the recruitment of candidates.
- c) Vetting could also be used for identification of intelligence shortcomings and the proactive collection of information that could contribute to the prevention of fraudulent activities.

It is also important that the evaluation should determine complex systems for handling classified information, especially intelligence information that requires careful background investigation of persons with access to classified information. There must be a policy that only certain individuals or officers are allowed to use specific classified information. The risk evaluation will identify vulnerability, the likelihood of damage, and the impact of determining the right response (Thomas and King, 2012: VIII).

According to Hull (2012:16), the purpose of evaluation is to identify the risk and reduce or mitigate it. He further asserts that evaluation of risk, threat and vulnerability is aimed at reducing exposure to risk during operations, and also to deal with wrongful transactions, security breaches and employee fraud.

An ABSA employee was found guilty on 359 charges of fraud after the Hawks investigation found that he had transferred R366 000,00 from a client's account to his brother's account without the knowledge of the client from 2014 to 2016. Moses Moroe was subsequently dismissed from his job after the departmental trial, and he was sentenced to eight years' imprisonment, wholly suspended for five years, provided that he pays the bank R167 912, 00 before July 2018.

The Sunday Times (2017) reveals that a senior corporate social investment manager had been arrested by the Hawks for defrauding PetroSA of more than R60 million. It was alleged that Matshidiso Mogashoa committed fraud, theft and money laundering from 2007 to 2011 by processing multiple payments to disadvantaged schools in and around the Eastern Cape that were beyond her level of authorization. She would then contact the headmaster of the school, stating that she had mistakenly paid the money over, and then instruct the principal to pay some of the monies into her personal account.

Fennelly (2012:4-5) states that a risk evaluation is useful for cyber, personnel and security protection and that it should also consider the likelihood of negative events and the probability of neutralizing and defusing the incidents. The purpose of evaluating risk, threat and vulnerability during a forensic vetting exercise is to conduct an analysis of the vetting investigation reports and generate an intelligent solution that will assist to eliminate the root causes.

Collins (2013:375) advises that the evaluation of risk, threat and vulnerability will be valuable for the information security that aims to protect the confidentiality, integrity and availability of information, as well as the system and processes that are used to store and transmit information.

Evaluation is an important aspect of improving information security and to determine the stages of research that would identify risk, threat and vulnerabilities so as to overcome and eliminate the possibility of recurrences (Shane & Hunker, 2013:69).

Of the ten participants, only five responded to the question, “What is the purpose of evaluating risk, threat and vulnerability during a vetting exercise?”

- Manage the risk, quantify and strategize on ways to remove, mitigate or transfer the risk (two participants)
- To eliminate doubt and ensure security competency (two participants)
- Confirm suitability and determine skeletons in the closets (one participant)
- To protect the assets and information of the organization (one participant)
- The remaining four participants did not respond to the question

Risk evaluation plays a critical role in assessing, controlling, determining and mitigating threats, and for finding vulnerability in the employment processes (Ghosh & Turrini, 2010:151). They further define risk as any uncertainty about potential future events that threaten the organization’s ability to accomplish its mandate, endanger its core assets and limit the enterprise’s ability to provide good service (Ghosh & Turrini, 2010:152). By conducting forensic vetting during the recruitment process, the organization will protect its electronic information, the database, intellectual property, accounting information, trade secrets, design data codes, comparative information positioning the company in the market, and its financial risk and cash flow (Ghosh & Turrini 2010:152).

According to the United Nations Development Programme Bureau (2006:29), the vetting process will facilitate and improve the capacity and integrity framework of the organization's personnel and information. It further states that capacity refers to the qualities that enable personnel to fulfil 77 technical tasks stipulated in the institution's mandate, whereas integrity relates to the qualities that enable personnel to fulfil the mandate in accordance with fundamental human rights, professionalism and the rule of law. Similarly, the individual capacity relates to an employee's qualifications, such as general education and professional training, professional experience and competence, as well as physical and mental aptitude. Furthermore, individual integrity refers to an employee's adherence to international standards and human rights, and to professional conduct, including financial standing. It further explains that organizational capacity refers to institutional qualities such as the number of staff, the organizational structure, resources and information system. Organizational capacity also relates to procedures employed to institutionalize the principles and values of the institution, including disciplinary and compliancy procedures, oversight mechanisms, ethical guidelines, codes of conduct, and presentation of gender, ethnicity, geographical origin and religion (United Nations Development Programme Bureau, 2006:29).

3.8 Advantages of Vetting as a Forensic Investigative Technique

The most important advantage of vetting is to identify red-flag indicators or clues and signs that could be established to meet vetting objectives and enable the decision-makers to come to a profound conclusion (Ractliffe, 2009:97).

Decision-makers are convinced by the vetting data that is presented that it is sufficient and comprehensive, that all appropriate collection requirements have been met, the answers to exhaustive questions have been obtained from the relevant sources, and that these aspects will strengthen the reliability of the recommendations that will amount to a true reflection of the situation.

Vetting will reveal lies in the candidate's profile, therefore it assists in the selection process and ensures employment of only legitimate and honest candidates with no criminal records or history. It also protects the employer against possible lawsuits (Cvtips, 2017).

According to knowyourcandidate (2017), through the vetting process the employer will be able to identify risk areas such as regulatory compliance, identity fraud, employee fraud, the culture of over-statement, litigation and reputational damage, and to ensure the protection of employees',

customers' and stakeholders' interests. It also indicates that employers could substantially reduce their recruitment risk by performing additional background checks and scrutinizing criminal records, thereby reducing labour costs as well as improving employee quality and suitability, thus saving money in respect of recruiting. Moreover, the structured vetting programme enables employers to demonstrate safety to their customers, and ensure that the institution is risk and threat free regarding fraud (knowyourcandidate, 2017).

Techgenix (2017) states that vetting is most important in blacklist-based security. It is used by airlines and the TSA and by most law enforcement officials at ports of entry. Techgenix further submits that a list of cleared subjects must be compiled, i.e. of people that have been proven to be upstanding citizens. The list will work against subjects that have not been vetted and therefore deny them boarding a plane. It was also said by Techgenix (2017) that vetting could also be advantageous in a computer networking setting for blacklisting of domains that are known to be spammers by automatically detecting them and putting them in a junk-mail folder to protect the computer system against malicious code by blocking them from opening and running. In addition, vetting could help the person carrying it out to observe the subject's body language, facial expressions, words and actions to attempt to determine whether the subject intends to commit a crime, eye movements, voice pitch and physiological factors that may indicate stress, which in turn may indicate that the subject is trying to hide something and is not who he purports to be.

Albrecht, Albrecht, Albrecht and Zimbelman 2016:107-109) submit that vetting encourages honesty and endorses a fraud- and corruption-free working environment. They further indicated that the verification of resumé and qualifications helps to build reputation of integrity for an institution. They discovered that the CEO of Radio Shack, Mr David Edmondson, had claimed to possess degrees in both theology and psychology from the Pacific Coast Baptist College in California. However, according to the school register there were no records supporting that two degrees had been conferred upon Mr Edmonds.

The researcher applauds the ideas of the above-mentioned authors and adds that forensic vetting could be to the advantage of the protection of the institution's classified and confidential information.

Based on the question, "What are the advantages of vetting?" the participants have:

- Vetting assists with identifying employment fraud, occupational fraud, risk, threat and vulnerability. It discourages employees from misbehaving and it promotes integrity and good governance (two participants).
- The process reveals lie and manipulation by candidates, and identifies criminal records, fraudulent qualifications, liabilities and assets (one participant).
- Vetting prevents and detects fraud and future risk, as well as enhancing an ethical culture (two participants)
- Enhances peace of mind by recognizing that a suitable high-calibre candidate with proper skills has been appointed, which will increase productivity and improve regulatory compliance (one participant)
- The remaining four participants did not respond to the question.

It was revealed in the public domain by Eye witness news (2018) that the head of the SSA, Mr Arthur Fraser, had revoked Dr Setlhomamaru Dintwe's security clearance because he had leaked the SSA's classified information to a member of the DA. Fraser said that Dr Dintwe had breached SSA's security policies and that he was revoking Dintwe's clearance to protect the integrity of the SSA. However, in retaliation Dr Dintwe declared that Fraser was the subject of a fraud and corruption investigation, thus by revoking Dr Dintwe's clearance, Fraser wanted to frustrate the investigation against him. The DA's Chief Whip, John Steenhuisen, also called for Fraser's security clearance to be revoked, since he wanted to obstruct the investigation into his ostensibly criminal conduct and to avoid scrutiny at all cost. Dr Dintwe's security clearance was fully restored after intervention by President Cyril Ramaphosa and SSA's Minister Dipuo Letsatsi Duba. Fraser was therefore transferred to the Department of Correctional Services (Eye witness news 2018).

3.9 Disadvantages of Vetting as a Forensic Investigation Technique

According to the United Nations Development Programme Bureau (2006:14), vetting could be misused for elimination of the contenders in a political arena and expulsion of employees that the leader deems untrustworthy. It further warns that the removal of employees and senior officials by means of vetting may disrupt the functioning of the public service. The other warning is that a large number of removed employees may drift to criminal opportunities and destabilize or paralyse the institution's sensitive data, as well as turn to armed opposition or organized crime and create a security risk, threat and vulnerability. It is advised that the potentially destabilizing effects of removals should be assessed beforehand and a decision taken to recommend or provide

severance pay and other temporary assistance. Vetting can also be used as a weapon in the disarmament, demobilization and reintegration of employees. Vetting might lead to the exclusion of a high number of employees in the institution, due to its high-integrity standard set-up. It could also lead to the disqualification of employees with impaired integrity, from certain categories or from all posts in the public service sector, or they could be demoted, barred from promotions, reassigned or suspended. The vetting process could be limited to new appointments, including transfers and promotions, and then only screen candidates for positions that become vacant. This softer vetting option does not, however, ensure the removal of public service employees with seriously impaired integrity but it will significantly slow down the operation of the organization and is unsuitable for fundamental reforms of the institutional framework.

Based on the question, “What are the disadvantages of vetting?”, the participants said:

- Vetting can be regarded as a manipulative tool to get rid of the opposition or competitors. It also violates human rights, since it invades personal and private space (three participants)
- Might be costly. The employer might face litigation from candidates who feel prejudiced by the vetting process. The employer might be accused of human rights abuse (two participants)
- Possible mistakes during background checks and concerns about privacy (one participant)
- The remaining four participants did not respond to the question.

According to Cvtips (2017), subjects in the vetting programme feel that vetting is an invasion of their privacy, since it could cause the following adverse results:

- Revelation of details that are too sensitive to be disclosed to the institution
- Falsification or disclosure of information by forensic vetting officials
- A subject might miss a future job or promotion because of the mistakes he made during his youth, regardless of his present integrity, work experience or qualifications.
- Failure to pass stringent security clearance
- Employers may find themselves in trouble for not disclosing the criminal records of former employees, and applicants may hide their criminal histories for fear of not being employed. References could be quite detailed and incriminating Sensitive personal information getting into the wrong hands may be damning.

- Errors made by forensic vetting officials may damage the reputation of the subject

3.10 The Importance of Conducting Due Diligence as an Element of Forensic Vetting

With a view to reputational damages, financial losses and poor service delivery, the Government should guard against companies and individuals that claim to be qualified in every aspect of service provision to the Government, while they are not (Kochan and Goodyear (2011:15).

In support of the view of Kochan and Goodyear (2011:164-165), the researcher submits that there is an urgent requirement that all the companies that conduct business with the Government should be subjected to the due diligence process.

During 2016/2017, the CoJ Municipal Administrator had to cancel most of its huge contracts, involving billions of rand that had been signed off for the provision of services around the CoJ. Investigative and auditing companies such as KPMG, Deloitte, SM Xulu, and Grand Thornton were outsourced to investigate the contractors. The contracts were for the building of power stations, procurement of firefighting vehicles, Pikitup, crushers, diesel contracts, and security contracts. This cancellation carries huge financial implications and reputational damages. The estimated financial loss ran up to R18 billion. The companies and contractors involved threatened to sue the CoJ Administration (Online Tenders, 2017).

“If you want to become rich by means of ill-gotten wealth, please join South African politics so that you can have multiple mansions and drive top-of-the-range cars” (Lumumba, 2017).

In view of what was discussed above, and in addition to the utterance of Professor Lumumba, the researcher is of the opinion that it is evident that people are joining politics with the intention of obtaining lucrative tenders from the municipality, even though they do not qualify for the provision of those particular services or do not comply with the specifications prescribed in the tender documents.

This kind of practice might collapse the economy of CoJ. In a statement that was published by the (Citizen, 2017), it was said that the CoJ was facing economic collapse.

The researcher’s opinion is that the cause of the economic collapse of the CoJ is that the contractors are being awarded lucrative tenders without being screened and scrutinized by means of a due diligence process. Huge amounts are paid before the actual work is done. The contractors do not finish their work; in fact, they dump the projects and leaves only the foundations.

Kochan and Goodyear (2011:164-165) are of the view that we have to assess, evaluate and make profound decisions before we employ contractors by means of a contract, and this must be done through the applicable due diligence. This involves looking for any reason not to sign, merge with, rely on or do business with a company. It should be conducted before entering any business contract (Kochan & Goodyear 2011:164-165). It should be taken into consideration that the organization should satisfy itself that the company that is being sourced to perform the duties are genuine companies and can be trusted, by making enquiries about the business contracts that they had previously been involved in at local chambers of commerce or business associations, or via the Internet (Kochan & Goodyear 2011:164-165). Furthermore, investigators should request information about the company's profile, financial statement, accounts or references (Kochan & Goodyear 2011:166). Moreover, when conducting due diligence, the investigators should scrutinize the details of the particular project that is being proposed, the senior staff and owners of the company. They should also pay attention to any "red flags", litigation, blacklisting, and history of fraud, finances, internal anti-bribery controls, budget projections, insurance policies and contracts with employees and customers.

Lumumba (2017) supports the facts mentioned by Kochan & Goodyear (2011:164-165) and adds that he does not claim to be an expert but he has observed irregularities, fraud and corruption at most government levels. He further advises that a full-scope vetting and lifestyle audit in all spheres of the local, provincial or national government is necessary, in order to prevent irregularities, fraud and corruption.

The participants also supported what was said by Kochan and Goodyear (2011:15), Lumumba (2017) and the Citizen (2017). They added the following in response to the question, "Can due diligence be used as an element of vetting during forensic investigation?"

- Due diligence will give the investigator insight about the company that is due to be awarded a tender (one participant).
- Determine whether it is a risk to award a tender to a certain company (one participant).
- Secure funds, protect the reputation of the institution, and determine fraudulent employment (one participant).
- Determine security status of a service provider (one participant).
- Know the company you are dealing with by linking their board of directors to companies that are doing business with the government, and eliminate intentions of employment fraud (one participant).

- Yes, a due diligence exercise must be conducted (one participant).
- The remaining four participants did not answer the question

3.11 Conducting Due Diligence Regarding Prospective Service Providers

Weisman (2012:131) points out that when conducting due diligence in respect of prospective service providers, the investigators should be aware of “red flags”, payment patterns or financial arrangements, a history of corruption, refusal by foreign joint partners or representatives to provide certification that it will not participate in the furtherance of an unlawful offer, payment to a foreign public official for an act of terrorism, unusually high commissions, and a lack of transparency in the shipping of merchandize. Also investigate third-party partners and representatives with regard to whether they are qualified to perform the service offered, whether they have professional ties to government officials, the number and reputations of their clientele, and their reputation at the banks.

Dean, Fashsing and Gottschalk (2010:34-35) specifically advise the due diligence official to consider aspects such as environmental situations, economic inequalities, expansion of extremist ideologies, developments in market globalization, sophistication of criminal activities, the invincible hand of the market, media influence, vulnerability to corruption, and political influence, when assessing criminal market activities with regard to potential service providers.

Dean et al (2010:76-77) find that the fraudulent companies target law enforcement officials, especially police and customs officers, as they are the frontline personnel in the fight against fraudulent activities. They further state that the enormous wealth of successful criminal enterprises is combined in order to buy out everyone who disturbs their intentions by simply offering bribes, kickbacks to police, politicians and government officials, and conducting “honey traps” and blackmail.

The Due Diligence Investigators (DDIs) should conduct their research thoroughly, since the fraudulent companies also employ counter-intelligence to protect their illegal businesses by spying on the police and interfering with police communications by hacking into computers, infiltrating law enforcement, placing informants, and planning their counter-surveillance of specific law enforcement officers (Fashsing et al. (2010:81).

Prunckun (2013:134-135) comments that due diligence is used by statutory intelligence bodies to gather information about economic, technological and commercial organizations and their affiliates.

Bennett and Hess (2004:134) suggests another form of investigation that is similar to due diligence, and which he claims is the risk profile of a service provider.

He also lists the aspects that a due diligence officer must look into when conducting risk profiling, and those aspects are as follows:

- The turnover of a business
- Geographical origin of a business
- Nature of activity
- Frequency of activities
- Type of complexity of an account / business relationship
- Value of the account
- Business type, e.g. politically exposed (if the owner of a business is employed by a political party)
- Whether the business account is dormant
- Any form of delegated authority, e.g. power of attorney
- Account transactions
- Suspicions or knowledge of money laundering.

He further says that the DDI should also conduct research in respect of details of the company and search for the following:

- Change in the operation of a business
- New accounts
- Change in relationships of board members
- Transfer of ownership
- Existing insurances and claims
- Offshore companies with ties to the service provider
- Trust accounts (Bennett & Hess, 2004:136)

According to ACFE (2014: 1230), while conducting due diligence, the investigator should gather information on the following:

- Domination of management by a single person
- Ineffective board of directors regarding financial reporting
- Ineffective communication and inappropriate values or ethical standards
- Unusual profit

- Significant unusual, highly complex transactions
- Transactions not in the ordinary course of business
- Tax evasion
- Complicated structure involving unusual legal entities
- Violation of securities
- Hiding information from the Auditor General

Kranacher, Riley Jr and Wells (2011:40) are of the view that when conducting due diligence in respect of a vendor, the investigator should review documents, conduct interviews, run surveillance tapes, and scrutinize public records and data obtained from the Internet.

They further advise that investigators should also look into aspects such as assets and business valuation, costs and lost profit associated with construction delays, lost profit resulting from business interception, insurance claims, intellectual property infringement and disputed tax issues (Kranacher et al., 2011:40).

Becker and Dutelle (2013:425) indicated that due diligence is a very important tool because it examines the following:

- Account transactions that are inconsistent with past deposits or withdrawals
- High volume of incoming - outgoing wire transfers
- Breaking transactions into smaller accounts by making multiple deposits
- Corporate layering, i.e. transfers between bank-related entities
- Multiple accounts.

Colaprete (2012:198) states that another form of due diligence is an intelligence information gathering and sharing process, where a crime analyst traces a terrorist's search for information about surveillance, travel records, Closed circuit Television (CCTV) tapes, and bank transactions with the intention of attacking other countries.

During a due diligence investigation, the investigators should focus on aspects of money laundering, which entails the process by which companies conceals or disguise the true nature of their funds, source disposition and transfer in ownership of money (Beekarry, 2013: 20). He elaborates that a predicate offence, where money has been paid to terrorists, should be the "red

flag”. Predicate offences also include robbing a bank, selling drugs or accepting bribes (Beekarry 2013: 20). He adds that the DDI should pay attention to the following;

- Know Your Customer (KYC) rules and procedures to prevent or block criminals/terrorists from becoming customers or service providers to the company, banks or the private sector
- Monitor and detect unusual or suspicious transactions
- Take note of reporting by private sectors of transactions involving suspicious matters, significant cash reports and international transfer reports
- The DDI must analyse the reports that were compiled by other government agencies in respect of the subject company that is under the due diligence investigation, and must therefore disseminate that particular analysed report to local law enforcement and regulatory as well as foreign agencies for their action (Beekarry, 2013: 26).

Beekarry (2013:27) further outlines that the DDI, in making a good judgement, must obtain facts from the company’s customer, concentrating on its investments, objectives, goals, risk preferences, financial positions, income and assets to minimize the risk of criminal, civil or regulatory liabilities. Gaining this information will enable him to adequately protect the company against being subject to reputational, operational and legal risk, which could result in a significant financial loss.

The companies with substantial business partners at the initiation of relationships and ongoing existing partners should conduct a due diligence investigation to better know those business partners (Girgenti & Hedley 2016: 124). They further highlight that the role of due diligence should be to focus on risk-based aspects such as area of operations, customer base, types of products and services (Girgenti & Hedley 2016: 124). Holding the same view, Girgenti & Hedley (2016: 136) indicate that the DDI should check whether the company has ever been involved in the market in order to improperly influence the price or price setting mechanism.

Lee (2009:31) explains that that due diligence requires an intelligence cycle, and he explains the intelligence below:

- Planning and direction: identify what kind of data is required that can be analysed and used as an intelligence product
- Collection: gathering data about a company

- Processing and exploration
- Analysis and production integration, evaluation
- Dissemination.

This cycle will be of use for identifying the early warning of risk in management strategies, business intelligence and competitive intelligence (Lee, 2009:31).

According to Mdluli (2011:37), Section 2A of the National Strategic Intelligence Act of 1994 confirms that service providers conducting business with government departments and other state-owned entities must be subjected to a full due diligence process, as it will give access to classified, sensitive information and intelligence that is possessed by the State.

The service providers that must be subjected to the due diligence process include information technology companies, catering, electricians, plumbers etc. (Mdluli. 2011:37). The decision rests with the department to expressly indicate in the documents sent to the State Tender Board whether there are security implications that have to be considered when the service providers render their services.

Mdluli (2011:37) stresses that the service provider, its subcontractors and employees must be security-cleared to the level of confidential, secret and top secret.

The Government falls victim to bogus service providers who obtain tenders worth millions of rand and then fail to complete the project after they have been paid. This drives the community to embark on illegal strikes due to incomplete or poorly-constructed infrastructure such as roads, bridges and low-cost housing.

The head of the Department of Economic Development in the City of Johannesburg discovered a massive fraud in 2016, where the service contractor was given a tender to build the community libraries around CoJ. The service provider was paid R40 million before the actual work commenced. After a year, CoJ officials decided to conduct a site inspection and they established that only half of the first structure had been built but there was no indication that the contractor would proceed, since the structure had been deserted. The matter was investigated by the Sizwe Gobodo Investigation Group.

Another company that had been paid to build a power station at Eldorado Park also waited for a long time to commence with the building, and claimed that they had ordered suitable equipment from China and that it would take time for the equipment to be delivered to SA.

One should be aware that it is a very long process to recover funds from an incompetent service provider because the money has already been spent, though the court could make a decision that the properties of the business should be attached by the Assets Forfeiture Unit.

Mdluli (2011:38-39) advises that before the tender is allocated to a service provider, a comprehensive due diligence process (screening) must be conducted and the following must be noted:

- Business registration (shareholders and directors)
- Business premises
- Financial stability
- Validation of business bank account
- History and reputation
- Understand the profiles of the directors and other companies linked to the company under investigation
- Tax issues.

It should be noted that the CoJ has made a R290 million unsecured loan to Denel. Denel is involved with the Gupta family, which is embroiled in allegations of fraud and corruption. Denel is now facing financial challenges (News24, 2018).

The question is whether due diligence had been carried out before the City loaned money to Denel. The researcher doubts that. The other question is, what if Denel is liquidated? Will the CoJ ever recover the financial loss?

The loan was supposed to mature on Sunday, 2018-06-09 but the City was informed by Denel management that they could not honour the payment as they were facing financial issues (News24, 2018).

During the month of June 2018, it was published by the Citizen (2018) that the CoJ Municipality was facing the challenge of being unable to pay the salaries of the employees because it was on the brink of economic collapse. The researcher still insists that no due diligence had been carried out in respect of Denel before CoJ lent them the money.

Willamette (2017) supports the statement of the researcher and highlights that due diligence should be carried out to prepare a business valuation in order to identify the following: Whether the company is solvent.

- If the company is transparent
- Whether the company has experienced a loss of profit or other economic damage
- If the company is involved in legal disputes.

He further points out that the various controversies related to the purpose of due diligence are taxation, Generally Accepted Accounting Principles (GAAP) compliance, intellectual property, and contract disputes (Willamette, 2017).

According to the researcher, due diligence is the collection and research of information about the company or a service provider. During the research, the due diligence would take cognizance of aspects such as the following:

- Core integrity and the excellence of the company
- Analyse, evaluate and integrate the data with the intention of identifying criminal elements
- Determine the business purpose
- Use media and public domain to access the company

From the above discussion, it stands out that Weisman (2012:131), Dean Fashsing et al. (2010:76-77), Prunckun (2013:134-135), Bennett & Hess (2014:134), ACFE (2014:1230), Kranacher et al. (2011:40), Becker and Dutelle (2013:425), Colaprete (2012:198), Beekarry (2013:20), Girgenti and Hedley (2016:124), Lee (2009:31), Mdluli (2011:37) and Willamette (2017) are experts in respect of due diligence, as they stress the fact that due diligence raises red flags with regard to incompetence, negligence, criminal liability, financial carelessness, dishonesty, non-transparency, sponsoring terrorists, audit findings, litigations and blacklisting. These factors should be recognized and discovered, to conclude a sound and profound judgement against the company or the contractors before any contractual document is signed.

The statement above is applauded by Fas (2016) and he advises that due diligence could be applied as an intelligence process cycle that involves actions such as collection, collation, evaluation, analysis, investigation and interpretation of the collected information about the

companies to be given contracts. This will be of use in compiling a meaningful and coherent report for decision-makers at the highest level.

The researcher states that it should be noted that intelligence information may also contain substantial inaccuracies or uncertainties that must be resolved by means of a subsequent further analysis. After due diligence has been conducted, it produces results that can be compared and weighed up to allow the development of a conclusion and recommendation. It is therefore not wise to judge or to persecute a company based on the face value of the information received without an in-depth analysis and thorough scrutiny of documents, statements, registration certificates, as well as references

The Compliance Association (2016) explains that due diligence comprises the facts about the company that enables an organization to assess the extent to which the company is at risk. It further indicates that the risk includes money-laundering, fraud, terrorist financing and irregular procurements (Compliance Association, 2016). At the same time, it advises that due diligence researches should be carried out to accomplish the following:

- Establish whether the company under investigation complies with the relevant legislation and regulations
- To make certain that the company is who it claims to be.

Forbes (2017) asserts that the financial matters that the DDI would be concerned with are all the target company's historical financial statements and related matters, including the following:

- Company's annual, quarterly and monthly financial statements for the last three years
- The auditing trail
- Ensure that the financial statements indicate the facts disclosed by the company during submission of tender documents
- Are the margins for the business growing or deteriorating?
- Are the company's projections for the future and the underlying assumptions reasonable and believable?
- What is the company's plan to grow its business?
- What debts are outstanding?
- Does the company have the protection of an intellectual property policy?
- Trademark rights and copyright

- Guaranteed loans and credit agreements
- Partnerships
- Service terminations, holiday leave, and assistance with education
- Actuarial reports
- Incentives
- Litigation matters
- Government audits
- Tax sharing and transfer pricing

The following are examples of case reports that indicate that the organization have disregarded due diligence:

During 2017, CoJ terminated a R161 million fire-engine contract after it had been discovered that the Bid Evaluation Committee documents had been forged and the contracted company had failed to produce the performance guarantees, although CoJ had paid the amount of R16 million up front. The contractor is in the process of undergoing a business rescue.

A R1, 3 billion contract relating to the installation of fibre cables in the CoJ was also terminated, as it was alleged to have been improperly awarded to a contractor (Fourie, 2017).

During 2017, the CoJ opened a criminal case against a contractor who had been awarded a contract for building a power station at Hopefield Station. The contract was worth R212 million. The contractor had already been paid R22 million, but the work had been done only partially and had been abandoned (Naidoo, 2017).

The researcher advises that organizations should not wait to sue for huge damages but simply exercise due diligence beforehand.

The participants responded as follows to the question, “How is due diligence exercised in respect of prospective service providers?”

- Due diligence must be conducted decisively and the following must be scrutinized: the ownership of a service provider, board of directors, financial statements, spending, assets, strategic plans, human resource issues, legal issues, certificates for work that has been completed, pensions and medical aid of employees, as well as certificates of operation (four participants).
- Conduct due diligence with due care, competency and professionalism (one participant)

- Check whether the company is registered, who the directors are, potential conflict of interest, check with national treasury for blacklisting, tax compliance with SARS and BEEE status (one participant).
- The remaining four candidates did not answer the question.

Mashaba (2017) writes that Johannesburg's infrastructure on the brink of collapsing because the available power stations in the city have outlived their functional lifespan, and about R131million is required to construct new electricity stations and refurbish the older ones. This also applies to the road and water infrastructure.

3.12 The Purpose of Due Diligence During Forensic Vetting Engagements

Madinger (2012:43) illustrates that due diligence prevents fraudulent activities such as money laundering, when money is wired overseas through various bank accounts. Due diligence also uncovers public officials that are conducting business with the government, while they are in fact employed by the government. He further comments that by exercising due diligence, it will be possible to detect suspicious transactions during financial statement analysis and to report accordingly. Similarly, Madinger (2012:43) elaborates that due diligence will also detect false names and false identification of a person or companies. Moreover, it will uncover shell companies that are a part of money laundering. Madinger (2012:129) adds that due diligence also uncovers tax evasion, to prove concealment of activities or non-filing of tax returns, and hiding the evidence of criminal processes.

Unger van der Linde (2013:148-149) says that an intelligent purpose of due diligence is that it promotes the financial market integrity and confidence in the financial system in the sense that it blocks fraud, money laundering and terrorist financing. He elaborates that due diligence identifies a person or company that represents an elevated risk for an institution that will result in denying funds for that particular person, as he is a risk (Unger van der Linde, 2013:152). He further states that due diligence protects the assets, increases the diversification of assets, and prevents exploitation of tax advantages. Lastly, due diligence ascertains the originality of documents against the data provided by the company or the person.

Crumbley, Heitiger and Smith (2013:7121) provide an idea that due diligence could uncover the trust fund that has been established to launder money, or the criminal process that emanates from fraudulent activities. They explain further that even though the trust fund is legally regulated, it is a way of cleaning stolen monies (Crumbley et al., 2013:7121). The due diligence process

includes obtaining copies of original trust deeds and confirming the identified trustees, as well as the person who provided the funds.

Hopewood et al. (2009:372-374) assert that due diligence uncovers identity theft, where a person uses another person's identity details to fraudulently obtain goods such as loans and qualifications from degree mills in the name of another person. They further add that in identity theft, a criminal steals the victim's financial reputation, runs up bills on credit cards that the victim never knew existed, and damages a person's life-long efforts to build and maintain a good credit rating. Of course, repair of such damage can take years (Hopewood et al., 2009:374).

The researcher analysed the ideas of authors such as Madinger (2012:43), Hopewood (2009:372-374), Unger van der Linde (2013:148-149) and Crumbley et al. (2013:7121) that contributed the statements of wisdom given above, and realised that due diligence is another element of vetting, in the sense that the full background of a company or contractor could be uncovered and contribute to the decision-making process. The researcher also realised that due diligence could uncover manipulation of documents, be helpful in the authentication of documents, reveal criminal records, and recognize the shareholders and board of directors.

In response to the question, "What is the purpose of due diligence during a forensic vetting investigation?" five of the participants supported the thoughts of the authors and said:

- Due diligence determines the capabilities, strength and financial muscle of a service provider (two participants).
- Due diligence must be exercised in accordance with a clear plan (one participant).
- Obtain a better insight of a company and examine the documents that were submitted by the board of directors for tendering (one participant).
- Prevent employment fraud by reviewing and evaluating all documents obtained from service providers and ensure that the company receiving the tender is trustworthy (one participant).
- Due care and competency (one participant).
- The remaining four participants did not answer the question.

The researcher advises that one should not forget that the purpose of due diligence is to test the qualities of the prospective companies. In other words, we have to interrogate and thoroughly evaluate these companies before we appoint them as the service providers. The following

questions should be answered during a due diligence exercise in the preparation of a coherent report:

- Why are you exercising due diligence in the first place? (The answer will be to evaluate integrity of the companies and their qualifications to avoid the risk of financial losses.)
- What do you want to establish? (The answer will be to determine the size of the workforce of the company, financial good standing, insolvency records, criminal records of board of directors, credit rating, BEEE status, ethnicity status, previous work profiles, record of salary payments to the staff, and the company's office of operation.)

Ndaba (2013) writes that the Managing Director (MD) of Pikitup, namely Amanda Nair, awarded a controversial R263 million tender to Aqua Plant Hire, despite being aware of the fact that the company had previously been involved in fraudulent and corrupt dealings. The matter was escalated to the office of the Public Protector. CoJ outsourced the matter to SM Xulu to be investigated. During the investigation it was uncovered that Nair had been involved in shady dealings.

Michael Page (2017), in an extract from the Journal of Business and Economic Research of May 2017, advises that due diligence reduces acquisition risks before purchase of the target firm, in order to negotiate a better price or more advantageous terms. Due diligence further discovers undisclosed company problems, uncovers hidden assets and criminal elements. It proves the reliability of the seller, increases the buyer's confidence, and if the due diligence uncovers anything adverse, the buyer has an opportunity to walk away from the deal or negotiate for a favourable purchase price.

Gecapital (2017) maintains that due diligence contributes to obtaining good answers to the following research questions:

- Does the company's financial statement accurately reflect the company's financial position?
- Would the integration of operations with those of the target have an adverse effect on profit?
- What is the company's position in terms of its customers, based on its competitive marketing?

- Is the company exposed to any significant and unexpected regulatory, governance or liability risk?

Corgentum (2017) claims that the main focus of due diligence is to detect fraud, avoid unnecessary operational risk, and prevent losses

In order to obtain detailed transparent information about the company to uncover possible deception, take the following action:

- Perform ongoing monitoring of a company's operations
- Produce a due diligence report that will assist the managers to make informed decisions

According to Vedko (2016), the due diligence exercise represents a proactive approach to potential issues:

- Collect intelligence from law enforcement, open sources and court houses, and compile an intelligence advisory report.
- Prepare and present a briefing to project and analyst managers.
- Provide a critical analysis from the intelligence report to the investigative and operational personnel.
- Mullins et al. (2017) advises that the purpose of due diligence is to verify the company's accuracy in its operations and discover hidden and neglected assets.

Refinitive (2016), the purpose of due diligence is to perform:

- Enhanced intelligence gathering in respect of high-risk individuals and businesses;
- Conduct site visits at premises of vendors and service providers to audit them, in order to ensure that they are in compliance with the relevant laws and regulations;
- Perform complex investigations of a sensitive nature;
- Analyse the accounting records and financial statements provided by companies to determine their financial stability and fitness;
- Conduct research and reporting, using an Internet commercial database and enquiries supporting the anti-fraud program;
- Evaluate information and sources for accuracy, reliability and relevance as an integral part of the internal process;

Flemming (2017) is of the view that the purpose of due diligence is to enhance understanding of key information underpinning a corporate transaction, allowing parties to make informed investment decisions. He further states that due diligence scrutinizes compliance issues regarding environmental legislation, as well as ethical and responsible business dealings. Determine information that may have a bearing on the final investigation decision, information on which transaction terms may be based, and information that could be used to negotiate prices.

According to Kranacher et al. (2011:24), the purpose of due diligence is to identify abnormal indicators of fraud, disputable facts, relationships, partners, and breaks in partnerships that suggest that something is wrong. They further assert that when exercising due diligence, the matters of concern are warning signals regarding unexplained accounting, spotting analytical calculations that do not correlate with financial data, and observing extravagant lifestyles and unusual behaviour.

According to Biegelman and Bartow (2012:337), the purpose of due diligence is to assess the risk to the business profile, especially from vendors, contractors, third parties, and other associated people who perform services on behalf of the organization.

According to Evans and Alire (2013:40), during due diligence there should be environmental scanning of the information about activities, trends, relationships, competitors and potential dangers. They further add that the following should be scanned:

- Customers
- Competitors
- Funding sources
- Suppliers
- Labour issues
- Legal regulatory factors

3.13 Types of Due Diligence

According to Corporate Finance Institute (2018) in order for forensic investigators to know and understand the process of due diligence, they should categorize the types of due diligence as follows:

- **Administrative Due Diligence:** it verifies facilities, occupancy rate, number of workstations
- **Financial Due Diligence:** deals with audited financial statements for the last three years, company projections, capital expenditure plans, debtors and creditors, major clients, fixed and variable cost analysis, gross margins and internal controls.
- **Assets Due Diligence:** searches for lease agreements regarding various items of equipment, real estate and mortgages.
- **Human Resources:** evaluates sick leave of employees, unlawful termination of services, harassment, discrimination, labour disputes, arbitrations, health benefits, welfare insurances and pending legal cases
- **Environmental Due Diligence:** deals with validity of permits and operating licences
- **Taxes Due Diligence:** copyright, trademarks, and brand names, clearance documents, violation of intellectual properties
- **Legal Due Diligence:** evaluates copies of memoranda and articles of association, minutes of board and shareholders' meetings, shares certificates and material contracts
- **Customer Due Diligence:** evaluates service level agreements, insurance coverage, credit policy, unfulfilled or incomplete work contracts, customer satisfaction survey and major customer loss.

The researcher recognizes what was pointed out above by Corporate Finance Institute (2018) and indicates that there is indeed a lot of work to be done in a process of due diligence, therefore proper management planning is required. The following fundamental management must be correctly executed:

- Planning
- Organizing
- Staffing
- Directing
- Coordinating

- Reporting and
- Budgeting

In support of Corporate Finance Institute (2018) the participants said the following in response to the question, “What are the types of due diligence?”

- The categories of due diligence are tax due diligence, intellectual property due diligence, commercial due diligence, information technology due diligence, human resources due diligence and compliance due diligence (four participants).
- Due care, competency and professionalism (one participant). The answer was not in line with the question.
- Examine strategies, operational due diligence (one participant).
- The remaining four participants did not answer the question.

From the remaining four participants, it is an indication that there is a gap that need to be close in order to assist investigators and managers with a concept of due diligence as an element of forensic vetting.

From what was discussed above, the researcher compiled a table to indicate the various phases and how the due diligence process must be executed. The following has to be profiled to check the strength of a company in order to avoid employment fraud or manipulation of tenders.

STRATEGIC										
Executive engagement	FINANCIAL									
Strategic plan	Budget	HUMAN RESOURCES								
Alignment	Cash	Cultural alignment	SALES							
Performance	Expenditure	Communication	Sales force	TECHNOLOGY						
Legal	Payroll	Compensation	Product/price	Business continuity	SUPPLY					
			Position	Information system	Sourcing strategy	OPERATIONS				
			Market	Knowledge management process	Procurement	Work process	PROPERTY MANAGEMENT			
			Competitor analysis	Technology	Material management	Workforce	Real estate portfolio			
			Consumer	Desktop computing	Inventory	Maintenance	Capital improvements			
			Demographics	Telephone bills	Warehouses	Safety and compliance	Functional flow			
			Advertising		Logistics	Material conditions	Space utilization			
							Equipment	Physical security		
							Facility management			

3.13.1 Table 2 - Due Diligence Phases

3.14 Financial Statement Analysis as Part of Due Diligence Process

Silverstone, Sheetz, Pedneault and Rudewicz (2012:73) claim that financial analysis can be conducted as part of due diligence before a transaction occurs, and as part of investigations after fraud has occurred or is believed to have occurred. They further add that even the most educated people, government departments and banks get swept up by or fall into deals that are too good to be true, as they enter into transactions with companies that they know too little about and they do not understand the underlying data (Silverstone et al., 2012:74).

They provide a good example about investors who lost R60 billion through Bernie Madoff and his organization. Those investors lost their life savings, retirement funds and trust funds, mainly because they relied solely on the fraudulent face-value financial information and reports provided by Madoff but not delving deeper into Madoff's credentials (Silverstone et al., 2012:79).

Michael Page (2017) states that financial analysis reveals critical information about the financial health of a company in order to determine how carefully and how long a service provider has maintained its accounting records and observed the GAAP.

Silverstone et al. (2017:73-79) and Michael Page (2017) understand the concept of financial analysis, since they warn that before the transaction takes place, there should be an analysis of the financial status of the company in order to avoid losses.

In light of what was discussed by Silverstone and Michael Page it is clear that a background check of financial statements is crucial.

The researcher supports what was said above and adds that during a financial analysis, one should observe the spending pattern of the company with regard to salaries of the employees, entertainment, upgrading of the equipment or working tools, and any suspicious transactions or transfers of the funds to outside the country, such as Swedish banks.

The following is an example of government negligence in appointing service providers:

It was revealed in the state capture debacle just where the Gupta family had wired the funds to their country in Dubai and transferred other funds to third parties. It was appalling to see big companies such as Eskom, Transnet, SAP, SAA, Denel and the Health Department still awarding tenders worth billions to Gupta-related companies such as Trillian, Tegetta and

Optimum Mines. This shows how reckless the State is in conducting business with outsourced companies (Morebudi, 2019).

Motsoeneng (2016) writes that the First Rand Bank, which is FNB, had decided to cut their ties with Gupta-linked companies by closing their accounts, as there had been allegations of money-laundering against them.

It was therefore debated by Parliament that three ministers should contact Standard Bank, Nedbank, ABSA and FNB, and ask them for information regarding the conditions for closing the Guptas' business accounts. It was indicated by Moneyweb (2017) that the conduct of the banks might deter possible investment from other businesses in the RSA. The banks retaliated that they wanted to make sure that their clients complied with the rules and regulations of the banks (Moneyweb, 2017).

The Financial Intelligence Centre (FIC) fined Bank of Baroda R11 million for financing the Gupta family to buy a coal mine to the value of R2, 1 billion. FIC claimed that the bank of Baroda had disregarded anti-corruption and money-laundering laws by assisting the Guptas with funding (Fin24, 2017).

The Federal Bureau of Investigation (FBI) also launched a money-laundering investigation of Gupta-linked companies, and this was supported by the South African Corruption Watch (Moneyweb, 2017).

Munusamy (2017) writes that the two ministers, Pravin Gordhan and Mcebisi Jonas, were removed or reshuffled from their posts to frustrate them, as they were not eager to sign any business deal with the Guptas. It was said by the Guptas that Molefe and Buthelezi would replace Gordhan and Mcebisi (Munusamy, 2017).

The SA economy fell to junk status during 2017 because most of the state funds had been wired to other countries by the Guptas, who also brought disrepute to the RSA (Munusamy, 2017).

The reason for a financial analysis is to become familiar with the entire operation of a company so that the hidden risks and fraudulent activities can be avoided at all costs. It is possible to analyse the business performance and also to identify conflicting signals (Linkedin, 2016).

The researcher does not claim a monopoly of wisdom but would like to advise that there is no need to do things at lightning speed but to take time for analysing and observing undesirable activities instead of simply reaching a conclusion that could erode the taxpayer's funds.

The researcher indicates that it has appeared on many occasions that our government does not take one step at a time when signing off irregular multimillion deals but rushes without considering due diligence. This kind of conduct results in findings by the Auditor General (AG) of SA and it damages the RSA's economy.

The researcher's analysis of AG statistics is not a dream but a reality. The AG has found a more than 70% increase in irregular expenditure at the municipalities, to the value of R28, 4 billion. Kami Makwetu of AG explains that there has not been any improvement in reducing the municipal irregular expenditures, therefore municipalities are facing financial difficulties.

Kami Makwetu have said that "lack of decisive leadership to address the lack of accountability by ensuring consequences against those who flouted basic processes hampered effective municipal governance and he reported weakness internal controls risk that needed attention in local governance by providing root cause for audit findings and recommendations to remedy the root cause of unauthorised irregular, wasteful and fruitless expenditure" (Auditor General South Africa, 2018).

General Sithole implemented a centralized procurement strategy for preventing maladministration. He introduced a new strategy aimed at greater transparency as well as conducting a lifestyle audit of senior SAPS management to curb fraud, corruption, and irregular, unauthorized, wasteful and fruitless expenditure (Hlengwa, 2018).

The researcher agrees with the opinion of General Sithole and emphasizes that maladministration could be prevented only if vetting, a due diligence exercise, lifestyle audit and profiling were accepted and conducted accordingly.

In observing cross-border countries such as Zimbabwe, we recognize the academic successes of former President Robert Mugabe, with so many qualifications, but we doubt his intelligence, since he had a central bank with no currency. President Robert Mugabe is unable to manage a central bank and this have resulted from irregular spending in respect of outsourced companies that did not qualify for the provision of services (Lumumba, 2017).

The researcher highlighted that one should not forget that we are testing forensic vetting as a tool to investigate employment fraud. The other element of vetting is a financial statement analysis, hence we explored the irregular expenditures that originated from employment fraud. The financial statement analysis concept is much broader and it requires an in-depth interrogation.

Five participants responded to the question, “What is a financial statement?” as follows:

- A financial statement comprises assets, liability and equity. That means that the value of assets is calculated and compared to the subject’s income (one participant)
- Income statement, balance sheet, statement of changes in equity and statement of cash flow (two participants)
- Consists of three major components, namely assets, liabilities and equity (two participants)
- It is a formal financial record of the company that confirms financial status and financial problems (one participant)
- The remaining four participants did not answer the question.

3.15 Types of Financial Statements

According to Sage Accounting Tools (2017) financial statements represent a formal record of the financial activities of an organization. These are written reports that quantify the financial strength, therefore there are four elements applicable to financial statements and are discussed below:

Statement of Financial Position: represents financial position of the organization and it has three sub-elements:

- Assets: something that a business owns, such as cash, inventory, plant and machinery
- Liabilities: something that a business owes to someone, such as creditors. Includes bank loans
- Equity: represents the capital that remains in the business after its assets have been used to pay outstanding liabilities.

Income Statement: reports the organization’s financial performance in terms of the net profit or loss over a specified period, and it has two sub-elements

- Income: this is what the business has achieved such as sales revenue and income from dividends
- Expenses: these are the costs incurred by the business over a period of time such as salaries, wages and rentals

Cash Flow Statement: this represents the cash movement and bank balances, and it has the following sub-categories

- Operating activities: represent cash flow from primary activities
- Investing activities: represent purchase of factory equipment
- Financial activities: represent cash flow generated

Statement of Changes in Equity: represents retained earnings and it-consists of the following segments:

- Net profit or loss during the period as reported in the income statement
- Share capital issued
- Dividend payments
- Gains or losses
- Effects of a change in accounting policy or an error.

Martin et al. (2012:134) warn that we should be aware of a “cooked” (false or trumped-up) financial statement during analysis, since it contains the following

- Overstatement of inventory
- Overstatement of assets and income
- Failure to record write-offs
- Not reducing the value of assets that have declined

Efinance Management (2018) in support of Sage Accounting Tools (2017) and of Martin et al. (2012:134) states that financial statements should represent a true reflection, as it is a mirror that shows a true and fair view of financial performance. It further adds that financial statements are used by shareholders, financial analysts and bankers. It consists of a balance sheet, income statement and cash flow statement.

It should also be noted that financial documents are compiled to confirm the accuracy of information. The creator of a document could fabricate its contents, depending on the intent (Ferraro, 2012:153). He further warns that the accuracy and completeness of the statement should be verified (Ferraro, 2012:437).

The following is an example of a Ponzi scheme: Iacurci (2018) writes that most of the investors have lost their pensions and the monies that they had borrowed, hoping to get 40% in interest returns, not knowing that they are investing in a Ponzi scheme. The number of defrauded investors is 3300. The amount lost is estimated to be R64 million.

The researcher realised that people do not actually exercise due diligence when investing their monies. They just blindly believe that the investment companies are legitimate on the basis of face value, although it is not easy for an ordinary person to obtain the company's credentials and financial statements. The advice from the researcher is that before a potential investor becomes involved with an investment company he must interrogate the company by employing a forensic investigator to conduct vetting, a due diligence exercise, and profiling-the chosen company to eliminate the risk of losses. The researcher also cautions that if investors suspect any criminal elements in respect of the investment companies, they must immediately report it to the police. If the invested money has already been distributed to various accounts, the forensic investigators should obtain the financial statements of the investment company and follow the trail with regard to how and where the funds were wired to.

In the light of what was discussed by Sage Accounting Tools (2017), Martin et al. (2012:134), Efinance Management (2018), Ferraro (2012:437) and News24 (2018), the revelations are an eye-opener, therefore it is advisable that all operational aspects of the companies or contractors should be authenticated to ensure sound decision-making before they are contracted.

The researcher also realised that the municipalities always wait for damages to occur and no action is taken. Thereafter they lose more funds by employing expensive forensic investigation companies and other legal entities to probe something that could have been avoided cost free.

Six participants agreed with the opinions of the authors and said the following in response to the question, "Name the various types of financial statements":

- Types of financial statements are income statement, balance sheet, cash flow statement and statement of changes in shareholder equity (six participants).
- The remaining four participants did not answer the question.

3.16 Conducting Lifestyle Audit as an Element of Forensic Vetting

McDermott (2014:198) states that a lifestyle audit includes obtaining and furnishing information regarding the personal character or action of any person, or the character or nature of the business or occupation of any person. To fulfil this type of function, the forensic investigator should carry out the following:

- Search public databases and other sources for information about a person or company
- Maintain surveillance of a person or persons

- Question informants to extract information
- Obtain or take photographs and videos of the person's daily activities
- Obtain subject's criminal history.

McDermott (2014:198) advises investigators that it is important to note that the legislation does not usually grant an investigator any special power to conduct a lifestyle audit and it would be bound by the usual laws that govern such matters. He also cautions investigators that an investigation without due legal authorization would lead to unlawful acts.

Bennett & Hess (2004:16) is of the view that lifestyle auditing is the profiling of the criminal lifestyle of an individual that has been suspected of accumulating wealth illegally. He advises that the due diligence researcher should consider aspects such as the individual's involvement drug trafficking, directing terrorism, human trafficking, arms deals, counterfeiting and intellectual property offences. Bennett & Hess (2014:17) further argues that there is no standard investigation into whether an individual may be living beyond his means in respect of his declared sources of income and gains, although these may be taken into account by the judge on the balance of probability.

A lifestyle audit verifies the source of wealth, by auditing the subject

- Employment and former employment
- Business interest
- Family history
- Existing investments, savings and assets

Bennett & Hess (2004:17) further advises that the assets, liability and equity displayed, must be consistent with the subject's background, thus a typical checklist for source of wealth includes the following options:

- Proceeds from a trade, profession or business
- Inheritance
- Trust fund
- Insurance policy and loan repayment.

McDermott (2014:198) warns that a proper regulatory framework for a lifestyle audit should be aligned with the constitutional laws. For example, the SARS Rogue unit (investigation unit),

led by Johann van Loggerenberg) acted unlawfully by intercepting a communication of the National Prosecuting Authority (NPA). They also illegally spied on the Scorpions during the case of former police commissioner, Jackie Selebi (Citizen, 2018).

It should be noted that the lifestyle audit referred to is financial profiling, which involves analysing known assets and funds, and comparing them against known sources (Coetz, 2011:21). He further indicates that there are three basics in a lifestyle audit ~~or~~ financial profiling, namely net worth, expenditure and deposits.

Coetz (2011:21) further explains financial profiling, as follows:

- Net worth financial profiling: this method compares the subjects' assets and equity against their known income.

Coetz (2011:21) provides an example, namely that if the target claims to be earning R40 000 annually but is living in a home worth R3 million, it raises a red flag that indicates a discrepancy between the assets and the known income. If there is no satisfactory explanation regarding the accumulated wealth, it could be of questionable origin.

When explaining expenditure profiling, Coetz (2011:21) elaborates that there should be an investigation as to whether there has been an increase or decrease in assets, liabilities and expenses.

Lastly, Coetz (2011:21) states that the deposit profiling method compares a subject's banking activities to his income, in which case the investigator requires full access to the subject's bank records and is aware that the subject can either spend his money or deposit it into a bank account.

It should be remembered that SARS conducted a lifestyle audit in respect of the affairs of Economic Freedom Fighter Commander-in-Chief, Mr Sello Julius Malema, during the period from 2005 to 2011, and it was found that he owed tax in the amount of R20 million. His properties were also seized (Seale, 2009).

Dorrell and Gadawski (2012:287-288) state that during a forensic lifestyle audit, the investigator should evaluate the following aspects:

- The subject's historical economic benefit stream
- Future economic stream
- Financial status

- Evaluate the subject against itself and its peer group to determine its financial strengths and weaknesses.

Dorrell and Gadawski (2012:373) elaborate that when a lifestyle audit is conducted, the focus would be on the following:

- The nature of the business and the history of the enterprise from its inception
- The economic outlook and the financial status.

Pasco (2012:110) attests that net worth simply means $\text{Assets} - \text{Liabilities} = \text{Equity}$. Pasco (2012:110) explains that equity is the same as net worth, thus what a person owns is subtracted from what he owes and the result shows exactly what he is worth.

The author further adds that under the net worth theory of proof, an increase in net worth from year to year must be the result of some income, while a decrease indicates a loss Pasco (2012:110). Similarly, whatever the subject is worth this year is more than last year, the subject must have had some income during the year (Pasco, 2012:110). The net worth method should be used when the subject's books and records are missing, and the following aspects are taken into consideration:

- Liabilities
- Net worth
- Previous year's net worth
- Net worth increase
- Income expenditure

It was news in the public domain in 2007 that there were three police officials attached to the West Rand Organised Crime Unit that were living a lavish lifestyle, owning many properties and beautiful cars. These police officers were raiding Nigerian drug houses and confiscating the drugs. They would then open a criminal case against the suspect, book a small quantity of drugs into the police station and sell the rest to other Nigerian dealers. SAPS Intelligence then planted some informants to gather information about the police officials from Organised Crime (Mashaba, 2011). The officers involved were arrested and prosecuted.

The three high-profile Organised Crime police officers were running their drug merchandise enterprise at Pauls Hoff, Fourways, Sandton and Lyttelton. Their biggest haul was the 198 kg of drugs that were stolen at OR Tambo International Airport, and that were valued at

R1 425 000. It was concluded that their net worth profiles did not match their salaries received from SAPS (Mashaba, 2011).

Powell (2010) lifestyle audit is used by forensic investigators to describe the tests that are performed to determine whether the lifestyle of an employee is comparable to that person's known income stream.

Silverstone et al (2012: 73) indicates that lifestyle auditing is the technique that was used initially by the government in 1930 to investigate the fraudster Al Capone.

From ten participants, only six answered the question, "What is a lifestyle audit and how does it identify fraud committed by employees?" as follows:

- Lifestyle audit is an investigation into an employee's behaviour, his net worth, and identifying the source of his wealth by calculating it against his income (four participants)
- The reason for the audit is to compare the assets and liabilities of a subject to his salary to demonstrate whether or not a person is living beyond his means (one participant)
- It is a management tool used by auditors to identify fraud (one participant)
- The remaining four participants did not answer the question

3.17 Lifestyle Auditing as a Tool to Identify Fraud

According to Powell (2010) lifestyle auditing is a critical management tool to identify staff members who, based on their extravagant lifestyle, may potentially be engaging in illicit activities. It could also serve as a first-step mechanism to determine whether an allegation of suspected fraudulent activities potentially has merit or not Powell (2010). To further simplify that, it can be used as a search tool in respect of implicated employees that are suspected of fraud and corruption, and it is often described as 'suspect profiling' or 'business intelligence' Powell (2010). In addition to the statement above Powell (2010) says that a lifestyle audit is an excellent barometer of the extent of the fraud risk within an organization, where it can be used as a proactive, anti-fraud mechanism to protect the company before it fails to identify that is occurring right under its nose.

Global Intelligence (2017) explains that lifestyle auditing is used by law enforcement to enhance or extend their investigations, and by private intelligence-gathering agencies to lay bare those factors and changes in a person's lifestyle that are often an indication of potential

risk. The risk is made visible by the investigator by identifying recognizing the changes and hence better understanding the potential risk. In the allegations of corruption against acting National Police Commissioner, General Kgomoetso Phahlane, that were put forward by the private forensic investigator Paul O'Sullivan, General Phahlane was asked by Parliament's Police Portfolio Committee if he would be willing to undergo a lifestyle audit. General Phahlane replied that he had been given a Top Secret Clearance, meaning that he had already gone through the process. However, he indicated that if required to do so again, that it would not be a problem (Eye witness news, 2017).

Ndwandwe (2017) points out that we do not want to discourage people from pursuing business opportunities and the process of acquiring wealth for fear of being open to undue public scrutiny.

Corruption Watch (2017) states that the purpose of a lifestyle audit is to promote integrity and good governance.

Democratic Alliance (2017) highlight that the DA had resolved that they would request SARS Commissioner, Mr Tom Moyane, to conduct a lifestyle audit in respect of the Minister of Mineral Resources, Mr Mosebenzi Zwane, to establish the extent of his personal benefit from awarding a housing contract for millions of rand, in respect of which the contractors did not finish the work that they were supposed to do. In light of this, there were very reasonable suspicions to conclude that Mr Zwane had personally benefited, directly or indirectly, from those unlawful payments, hence the lifestyle audit by SARS was the best means to establish whether that was indeed the case Democratic Alliance (2017)

Doing everything in his power to block a lifestyle audit, President Jacob Zuma warned other political parties to behave properly, and maintained that he had established the institutions that were responsible for fighting fraud and corruption (IoL, 2017).

Analysing the statement made by President Zuma, the researcher became convinced that the top political leaders want to avoid lifestyle audits at all costs, as they are aware that such audit will reveal their dirty laundry.

The researcher stressed the fact that for the government to recognize its own potential and maintain clean governance, the organs of the State must be corruption-free in order to promote integrity and restore the public's trust. If this is not done at the highest level, it will not be done at the lower level.

The researcher also highlighted that other foreign countries would be afraid to invest in SA, since they are aware of the level of lawlessness and criminal activity in our country.

The management of Venda Mutual Bank secured funding in the name of the king of Venda totalling millions of rand so that he would be able to maintain his lavish lifestyle of buying Range Rovers, Mercedes Benz ML63 AMG, a helicopter and a R6 million estate house at Dainfern, south of Johannesburg. The Venda king was supposed to repay the amount of R240 000, 00 per month. He later attempted to open a case of fraud against VSB's management, claiming that he had thought all the items from VSB were gifts (Ritchie, 2018).

Another example is the Mpisane family's wealth, where the tender documents for building low cost housing in KwaZulu Natal were manipulated to favour them, so that they would be awarded with billions of rand to construct houses. It appeared that their lifestyle was way over the top, with luxurious mansions, top-class cars, expensive clothing and huge birthday parties (IoL, 2017).

It was also revealed that the Mpisane family owned 128 luxury cars and 10 fixed properties. SARS noted their reluctance to pay their personal and business tax returns, and they were issued with a summons for the attachment of their assets (Gunter, 2013).

It was also published that Shawn Mpisane took over a business from her mother and expanded it to an empire, while her husband was an Ethekwini Metro Police official earning R15 000 per month. It was alleged that Shawn was convicted of fraud and her husband was involved in cash heist operations. While Shawn was incarcerated her husband misrepresented her construction company to the construction industry board by submitting fraudulent grading to secure a huge government contract (Gunter, 2013).

CoJ GFIS conducted a lifestyle audit and investigation of an employee attached to the Finance Department, as well as a service provider linked to him, in connection with allegations of fraudulent employment, conflict of interest, inflation of invoices to the tune of R10 million, and solicitation of a bribe in the amount of R1 million. It was revealed that the city employee was rewarded with a sponsored trip to the Zimbali family house, which belonged to the service provider (IoL, 2018).

The researcher stated that from what was discussed above, it confirmed that lifestyle auditing as an element of vetting is a powerful mechanism to identify employment fraud from various

angles of the Government. It must be done. If it is done correctly, it will eliminate the appetite for fraud.

Six participants responded to the question, “How are red-flag indicators of employment fraud identified during a lifestyle audit?”, as follows:

- It can be identified by checking the finances of the subject (four participants)
- Checking external sources of income and inheritance (one participant)
- Identify red flags (one participant)
- The remaining four participants did not respond to the question

The researcher also clarified the lifestyle auditing concept, i.e. that it is not a tool to block or impede the success or flourishing of individuals but that its objectives and purpose are mainly to fight crime.

In order to simplify the lifestyle audit, the researcher illustrated the indicators of fraud in the figure below.

POSITION: INVESTIGATOR SALARY: R25 000 PER MONTH



HOUSE IN RANDBURG



HOUSE IN RUIMSIG



HOUSE IN SANDTON

MULTIPLE BANK ACCOUNTS:



WEARS DESIGNER CLOTHING: LOUI VUITTON, POLO AND VERSACE



TRAVELS IN STYLE: GOLF GTI, MERCEDES and BMW



ENTERTAINMENT: HENNESSY, COURVOISIER AND JOHNNIE WALKER



WEARS EXPENSIVE DESIGNER FOOTWEAR: JORDANS, LOUIS VUITTON AND ARBITER



EXPENSIVE OVERSEAS TRIPS



3.18 Lifestyle Audit Process

The most important aspect of the lifestyle audit process is to work fast, by examining the subject's books, papers, records and documents (Madinger, 2012:291).

The example provided by Madinger (2012:291) is that “when American troops captured the Al Qaeda training troops camps in Afghanistan they didn't just pick up the information tapes showing terrorist conducting physical training, but they also looked for financial records of money that was sponsored to them from Afghanistan for terror attacks in Europe”.

The researcher agreed with Madinger (2012:291) and indicated that all assets, liabilities and equities of the subject must be probed. However, it should be done in accordance with the law.

The participants answered the question, “What are the legal considerations during a lifestyle audit?”

- There will be indications of a high level of lifestyle, such as the acquisition of expensive assets, properties and businesses, expensive trips, clothes, cars and motorcycles (two participants)
- Huge spending, expensive bottles of whiskey and sudden change of lifestyle (one participant)
- The red-flag indicators are suspicious transactions on the bank statements that will reveal that the funds have been deposited by unknown sources (one participant)
- Identify elements of living beyond the person's means (one participant)
- The remaining five participants did not answer the question.

3.19 Legal Aspects to be Considered During Forensic Lifestyle Auditing Process as an Element of Vetting Investigation

No matter how desperate the Government is to fight fraud, corruption, money laundering and bribery, it does not mean that the Government should violate the constitutional rights of the people by subjecting them to arbitrary and inhumane treatment (Daily Maverick, 2017). By the same token, the officials subjected to the lifestyle audit must allow the Government forensic investigators to scrutinize their bank accounts, their assets and in some instances, going into their homes to conduct an investigation and search the suspect's furniture, cars and building structures, and establish whether these possessions match their salaries (Daily Maverick, 2017).

Powell (2010) cautions that the use of credit information for a lifestyle audit is strictly controlled by the Material Credit Act 34 of 2005; however, Section 17(4) of the regulation of the National

Credit Act specifically provides for the use of credit information for fraud prevention and detection, and classified information cannot be used in the lifestyle audit.

Personal financial information, cellular and telephone information cannot be used without a court order. There must be approval from the Magistrate with a section 205 act to authorize obtaining the subject's information from the bank and the cell phone service provider; alternatively, it can be accessed with the consent of the employees Silverstone et al (2012: 73). The same applies to a criminal history where fraud is suspected. The company will have to register a criminal case, based on reasonable suspicion and entailing prima facie evidence, which will also have to be motivated to a magistrate to authorize a subpoena.

According to Silverstone et al (2012: 73), SARS is protected by Act 1997, section 74 (74A to 74D) and has the power to gather intelligence regarding individual and company financial status. It further points out that the taxpayers hold the view that SARS is in violation of their rights, according to the Bill of Rights, regarding their privacy, which is contained in section 14 of the Constitution, though they are not aware that those rights are subject to limitation under section 36 of the Constitution, where the limitation is justifiable.

One should also take cognizance of the fact that SARS has an obligation to increase the tax due in respect of undisclosed income of individuals or companies by up to 200%, and that SARS is protected by section 76 of the Tax Act. In addition to that, SARS can consult with the NPA to seek advice and to determine whether they may institute a criminal case for tax-evasion. It is in SARS's secrecy policy not to disclose any individual information, even if they have determined that the individual is living beyond his means Silverstone et al (2012: 73).

The DA has encouraged a lifestyle audit mechanism to prevail in order to monitor, curb, deter and prevent any political leaders from evading tax Democratic Alliance (2017). Minister Pravin Gordhan stated that during 2007, SARS had applied the lifestyle audit mechanism with regard to 787-individuals suspected of tax evasion, and the risk profiling led to 234 prosecutions.

The forensic investigators should conduct risk profiling in accordance with the legitimacy of the Constitution, or within the confines of a set of laws (Mdluli, 2011:166). She further states that the privacy of communication is vulnerable and open to abuse by various law enforcement agencies. The forensic vetting officials should conduct the interception of communication-related information in accordance with the regulations of Act 70 of 2002. Section 2 of the Prohibition of Interception highlights that no person may intercept the communication of any other person in the course of its transmission. Section 16 stipulates that before the interception commences, the

investigator has to apply for a recommendation from the public prosecutor and approval from the magistrate. The application should contain the following:

- The identity of the person whose communication is to be intercepted;
- The identity of the official who will execute the interception;
- The name of the telecommunications service provider;

3.19.1 Case Law: State vs Nkabinde (1998 (8) BCLR 996)

We should be aware of unlawful or illegal interception of communication because it might raise constitutional challenges. One should note that in the State versus Nkabinde (1998 (8) BCLR 996), the court held that the accused's right to privacy was violated because the police monitored the conversation between the accused and his legal advisor. It was noted by the court that the monitoring continued beyond the date when the authorization lapsed. The judgement was delivered in accordance with the Interception and Monitoring Prohibition Act, 1992 (Mdluli, 2011:168).

During the SARS Nugent commission of enquiry it was found that SARS management under the leadership of Commissioner Tom Moyane, had planted surveillance cameras on every item of office equipment such as laptops, desktops, and landlines, that were meant to monitor all the employees at SARS, due to management's mistrust (Cowan, 2019).

The researcher found the act of SARS unlawful and a violation of the employee's rights, as prescribed in section 3 of the Bill of Rights.

The participants answered the question, "What are the legal considerations during a lifestyle audit?" as follows:

- The scope and level of lifestyle audit should be conducted in such a way that it regards all individuals as equal before the law (one participant)
- No infringement of privacy (three participants)
- The subject must be informed of the lifestyle audit and no device must be activated to monitor the subject (two participants)
- The remaining four participants did not answer the question.

3.20 Applying the Net Worth Method During Lifestyle Audit

It was said that the net worth method is a common, indirect balance sheet approach to establish income (Crumbley et al., 2013:6061). They further mention that to employ the net worth as a technique, a forensic investigator should calculate a subject's known assets less his liabilities at the beginning and end of a period (Crumbley et al., 2013:6061). If there is a difference between the reported income and the increase in net worth during the year, the investigation must account for non-taxable income and non-identified differences that could be the amount of a theft, unreported income or embezzlement (Crumbley et al., 2013:6061). Madinger (2012:109) asserts that by applying the net worth method, the forensic investigator will uncover illegal income that has not passed through SARS' checkpoints. The net worth is based on proof of particular transactions to show income.

According to Investopedia (2018), the net worth is the amount by which assets exceed liabilities, and it is applicable to individuals and businesses. It further states that an individual net worth is simply the value that is left after the subtraction of debt in respect of assets that includes mortgages, credit card balances, student loans, car loans, clothing debts and cell phone contracts. Furthermore, bank accounts status, value of the home and of vehicles should be analysed to come to the correct conclusion about the net worth status. In elaborating further, Investopedia points out that an individual could have a negative net worth if his debt is more than the value of his assets. Moreover, people of substantial net worth are known as High Net Worth Individuals (HNWIs).

In response to the question, "How is net worth applied during the lifestyle audit?" the participants responded as follows:

- The participants supported the above-mentioned authors (Crumbley et al. (2013:6061), Madinger (2012:109) and Investopedia (2017) by stating that all the assets, liabilities and properties are the subject's net worth. This must be compared to the subject's income and if it does not add up, there will be red flags in respect of the unexplained source of income (four participants).
- If the subject has received an inheritance or won the Lotto, the net worth will increase (one participant).
- The net worth method is a high level of investigation into commercial crimes (one participant).
- The remaining four participants did not respond to the question.

The researcher asserts that it is very rare to encounter an official in a public service position with a substantially high net worth, when the salary is average. However, investment programmes could enable an official in the public service to have a moderate or a medium net worth. The researcher advised that most public officials whose incomes were found to be exceeding their net worth have been investigated and their assets were-seized.

Linkedin (2016) concurs that the practice of asset forfeiture has been a valuable enforcement tool to combat crime. It stands out above most of the programmes, the Assets Forfeiture Unit has the power to seize and take over the assets that had been acquired by means of ill-gotten proceeds. These proceeds will then be used by the State to sponsor education. Linkedin further warns that seizures and forfeiture can be conducted only after the approval of the High Court.

It is worth noting that indeed the net worth analysis was instrumental in seizing Julius Malema's farm and his two houses at Sandton and Polokwane, as it had been proved by the court and SARS that the assets had been purchased by means of the proceeds of fraud ((Seale, 2009).. The proceeds of the fraud were paid to the Assets Forfeiture Unit to support the law enforcement agency in their fight against fraud, corruption and money laundering. The total amount of fraud charges against Malema was R52 million, including the outstanding debt of R16 million to SARS (Seale, 2009)..

These acts of Malema were uncovered by the Head of the Public Protector's Office, Advocate Thuli Madonsela, after a long investigation. It was revealed that Malema had acquired the R52 million tender fraudulently for his On-point Engineering Company and Ratanang Trust fund to design and build the roads in Limpopo (Seale, 2009).

The researcher added that net worth as an element of vetting is a key to uncover hidden assets/funds and that it should be utilized by the investigators during lifestyle auditing projects.

3.21 Identification of Financial Statement Fraud During the Lifestyle Auditing Process

Hopewood et al. (2009:265) warns that financial statement fraud entails any undisclosed intentional or grossly negligent violation of GAAP that materially affects the information in financial statements, and it consists of three elements, as follows:

- Intentional misrepresentation of facts
- Reliance on the misrepresentation
- Injury to a victim

Financial statement fraud is easily identifiable, as it contains improper revenue recognition, overstatement of assets, understatement of expenses, misappropriation of assets, and inappropriate disclosure (Hopewood et al., 2009:266).

Crumbley et al. (2013:3011) agree that financial reporting fraud comprises three M's and explain them as follows:

- Manipulation: falsification or alteration of accounting records
- Misrepresentation: intentional omission from financial statement of events, transactions or other significant information
- Misapplication of accountancy: presenting financial accountability, disclosures

The authors add that fraudsters use multiple methods to create manipulated revenues or assets to inflate their income on financial statements, they alter the bottom line on their financial statements by providing false figures, namely fictitious reduction of expenses and liabilities, omitting off-balance-sheet financing to avoid adverse results from the due diligence vetting process (Crumbley et al., 2013:3011)

According to Wolfe (2017), financial statement fraud is committed with the intention of achieving financial gains. The way of committing financial statement fraud is to alter the contents with the intention of disguising the statement balance by indicating fictitious expenses, by indicating that the assets are valuable, by overstating revenue, and by concealing real liabilities such as loans (Wolfe, 2017).

Five participants responded as follows to the question, "How is financial statement fraud identified during a lifestyle audit?"

- It is done by analysing the subject's finances, by scrutinizing the bank statement, and identifying the sources of income (three participants)
- It can uncover concealed funds (one participant)
- The investigator must analyse the journal entries that have been processed and carried over to the next financial year by the subject (one participant)
- The remaining five participants did not answer the question.

3.22 Profiling as an Element of Due Diligence During A Vetting Investigation of Employment Fraud

Durrant (2013:7) finds that profiling is the application of forensic psychology to investigate crime, and to understand the cause of crime and how it can be prevented.

Becker and Dunatelle (2013:184) are of the view that profiling is a technique used mostly by behavioural scientists and the police to identify and investigate those suspects who possess certain behavioural and personality characteristics that make it likely that they would commit a crime.

Patherick (2014:336) asserts that profiling is a tool designed to assist investigative efforts and describe the distinctive personality characteristics of offenders. It involves the analysis of offender behaviour and the offender's interactions with the victim and the crime.

From the point of view of Milne (2016:76), the focus of the investigator or analyst during profiling is to use a range of techniques to ascertain the lifestyle and forms of crime, as well as the criminal enterprises in which the suspected criminal subjects are engaged. Moreover, the investigator should monitor the subject, as it also assists in the process of suspect/criminal network analysis, which will then lead to the discovery of hidden criminal activities or criminal networks or association between the network groups (Milne, 2016:76).

Profiling is a practice that examines the evidence to identify suspects for the purpose of use in a court trial (Lyle, 2012:370). He further states that behaviour reflects personality, and in order to understand an artist, you have to look at the artwork.

It should be noted that Canner and Young (2009:50) view a profile of characteristics from olden times as being used as a guide to determine which elderly women and men are knowledgeable of herbs and the marks of the devil, therefore these elderly are labelled witches.

The researcher refuted the statement of Canner and Young (2009:50) as it conveys a wrongful accusation against elderly people that will never be proven as true. The painting of elderly people with a devilish and evil character is victimization, and it has to be condemned from every angle.

In response to the question, "Could you explain profiling as an element of due diligence during a vetting investigation?" five of the participants said the following:

- Profiling identifies previous wrongdoings, such as incomplete work done by a company (one participant)

- To link information and produce hard-core evidence (one participant)
- Background checks on previous employment and pending criminal cases (one participant)
- Classification of the subject's character and behaviour (one participant)
- Profiling examines finances, place of birth, criminal records, qualifications, deeds, marital status and history of travelling (one participant)
- The remaining participants did not answer the question.

The researcher's opinions agree with those of Osterburg and Ward (2014:481) and highlighted that when conducting profiling, an investigator should concentrate on the crime scene, physical evidence, background information, demographics, physical characteristics, habits, and the subject's pre-offence behaviour that led to the crime.

According to Van Rooyen (2008:67-68), during profiling, the investigator should concentrate on the following pointers regarding the offenders:

The fraudster is of higher than average intelligence; many of them have post-school qualifications, and many of them are university drop-outs who did not complete their studies.

Some of the characteristics of offenders are as follows:

- He sticks to one particular modus operandi
- He is artful and crafty, well-spoken, and with the ability to convince people
- He is a lazy chancer looking at short cuts, and is motivated by greed
- He operates from a position of trust where he has access to financial resources
- He has contacts in higher places
- He has a good knowledge of the law.

Van Rooyen further explains that profiling consists of a description of a person, organization, characteristic obtained from experience, and by gathering intelligence (Van Rooyen, 2008:238).

According to Padgett (2015:61), profiling is a method of collating various pieces of information and data, obtained from intelligence relating to a suspected crime or a committed crime. This intelligence is then formulated into a profile that can be used as a database from which to identify future fraudsters and fraudulent events as part of an organization's effective anti-fraud management programme, in order to understand why and how this crime was committed and to help with identifying the most likely offender.

Profiling is an investigative technique that involves a response to violent crimes such as serial murders and serial rapes, by recognizing patterns of behaviour (Mendell, 2013:134).

According to Prunckun (2013:64), profiling is a feedback report that contains at its heart an analysis of an individual, a group or network required for the decision-making process. The information that must be contained in the profiling report comprises personal details such as name, business address, occupation, driving licence, criminal record (including convictions), social patterns, physical environment, strengths, weaknesses, opportunities and threats.

Padgett (2015:61) adds that the intelligence that is gathered includes passport details, identity number, address, academic qualifications, cell phone records and bank statements. He further provides a clear purpose of profiling, namely that it is a valuable tool of investigation, it is useful for predicting future incidents, and more importantly, for the creation of a database that will be useful in the implementation of anti-fraud strategies (Padgett, 2015:168).

Mdluli (2011:98) indicates that profiling includes gathering information about the applicant's economic or credit profile, personal profile, family and criminal profile, driver's licence verification through e-eNatis, and qualifications verification through SAQA and Umalusi.

According to Turvey (2012:05), profiling refers to a criminal conduct, personality search or investigative analysis tool.

Profiling does not provide the specific identity of an offender; it rather, it indicates the kind of person most likely to have committed a crime by focusing on certain behavioural and personality characteristics Patherick (2014:336).

3.23 Purpose of Profiling During a Vetting Investigation

During profiling, the investigator should keep in mind what the purposes of profiling are. He should know that he wants to better understand the structure, activities, and movement of a group or organization. His objective are:

- to decide what is the best possible strategy to implement to prevent fraud;
- to trace a suspect/target

According to Patherick (2014:336) profiling does not solve crime but provides a means of narrowing the range of potential suspects by looking at the following:

- Social and psychological assessment: basic information such as personality, age, sex, employment, education, marital status
- Psychological evaluation of the offender and crime photos that may link the offender to a crime
- Open-ended questioning.

Profiling can be used to observe people in a psychological sense, namely their state of mind (emotions, mood and temper), behaviour and body language Patherick (2014:336). Profiling also shows that introverted people are not comfortable with a group of strangers but feel free with friends and family. Moreover, introverts are usually the most intelligent, as they spend most of their time observing everything that they come across in order to better understand the world-view Patherick (2014:336). Profiling can also be used for conflict resolution in a working environment, to “read” the cause of the conflict, the anger of employees and their demands, and to find a solution Patherick (2014:336).

Profiling is a valuable tool in the field of investigation in all spheres of crime. Experience gained in profiling is useful for investigating future crimes and for the creation and implementation of anti-fraud strategies to establish the cause of criminal activities. Generate a prediction about future criminal behaviour, revealing criminal characteristics, the role played during a crime, the modus operandi related to the crime, as well as the motive for committing fraud (Padgett 2015:168-169).

Fish et al. (2014:283-284) suggest that profiling could enhance the appearance of forged letter samples from fraudulent documents, and graphic symbolism when examining fraud.

Patherick (2014:336) comments that the purpose of profiling is to:

- evaluate the nature and value of forensic and behavioural evidence to a particular crime;
- reduce the number of suspects and identify the one who is connected to the crime;
- prioritise investigation of the remaining suspects;
- link potentially related crimes by identifying crime scene indicators and behaviour patterns.

An extract from McDermott (2014:220) indicates that profiling is a form of covert intelligence that can be used extensively for the purpose of gathering criminal intelligence concerning the movement of criminal activities, to build a broader background picture or context that helps in crime prevention and detection, and to obtain evidence of the past, future planned crime, or

ongoing systematic criminality. He further states that common law automatically authorizes the law enforcement investigators to employ tricks, deceit and secrecy in the profiling of criminals (McDermott, 2014:222-223).

In view of the increase in the level of criminal patterns, it has to be noted that, as a matter of practical reality, the successful investigation of criminal conduct will from time to time necessitate the use of covert operatives and conducting sting profiling (McDermott, 2014:223).

McDermott (2014:223) is supported by Hysom (2019) where it points out that to better understand a criminal network, extensive profiling should be in place to identify the targets of the networks, such as the vulnerabilities of the employees. It is further said that the network subgroup should be identified, as well as how they interact, the overall structure and the role of each member in a network.

The Adriano Mazzotti cartel that was linked to illicit tobacco trade was identified by means of SARS syndicate profiling through bank accounts. This was published by Jacques Pauw on 2018-07-06 in a letter that was addressed to the Economic Freedom Fighters (EFF) Commander-in-Chief (CIC), Julius Malema, asking why Advocate Dali Mpofu was representing SARS Commissioner Tom Moyane (Cowan, 2017).

Becker and Dutelle (2013:177) indicate that during profiling the investigation will discover the following characteristics of the subject being profiled:

- Intelligence
- Higher education
- Above average IQ
- Social company

According to Becker and Dutelle (2013:304), when profiling a suspect, the investigator would establish the following:

- How the suspect hit the targets?
- The suspect's attire
- The words that he used
- The weapon that he used.

Piper (2014:74) explained that Interpol, which is an international agency based in France, can assist in obtaining information in a case of profiling because it is a hub of intelligence that contains

DNA samples, fingerprints, mug shots, and a list of wanted persons. Interpol has a data warehouse for collecting and managing data relating to identification and linking of suspects to the crime during investigation.

Five participants responded to the question, “What is the purpose of profiling?”

- Profiling is developed by means of research and professional experience, using available scientific knowledge of human behaviour to determine previous convictions of the subject (one participant)
- To examine the data available from existing information and collect statistics or informative summaries to find out whether the information can be used for the purpose of investigation (one participant)
- Profiling assists decision-makers to reach a proper (correct) conclusion (one participant)
- Used to develop leads in the absence of other leads and link the suspect (one participant)
- Reveal risk and threat (one participant)
- The remaining five participants did not answer the question.

3.24 Types of Profiling

According to Padgett (2015:186-188) there are several types of profiling, namely:

Criminal Personality Profiling: This kind of profiling is used by organizations in the form of questionnaires during an interview phase.

The objective is to identify the criminal element in respect of an individual that has been invited for an interview. However, the investigators will have to request assistance from the psychological profiler since they do not have the skills to conduct personality profiling of criminal elements. He further states that criminal profiling attempts to determine the kind of person who committed a particular crime and is used when a culprit is a repeat offender.

The author also indicates that there is **Indicative Criminal Profiling**, which is the process of profiling criminal behaviour, the crime scene and the victims. Moreover, he states that the other mode of profiling is **Deductive Profiling**, which uses the unique characteristics of the offender obtained from the behavioural reconstruction of a single offender’s fraud.

As explained, he indicates that **Intelligence Profiling** deals with future risk and consists of the collation of information about identified persons, including information such as identity number, address, criminal records, academic qualifications, cell phone records and bank statements.

Lastly, Padgett (2015:186-188) concludes that the last profiling is **Investigative Profiling** that requires the involvement of a psychologist during the investigative stage, when the offender is unknown and there are few leads.

According to Turvey (2012:182-184), profiling is divided into various categories, as shown in the table below:

3.24.1. Table 3 - Categories of Profiling

PERSONAL CATEGORIES	DIGITAL CATEGORIES	RESIDENTIAL
Sex, race, hair colour, eyes, clothing, wallet, handbag, grooming, hobbies, daily routine	Cell phones, charts, photos, videos, laptops, e-mails, documents, social networks, Facebook, financial, payment history, credit cards	Physical home address
RELATIONSHIPS	EMPLOYMENT	PACKAGES
Current/previous marital status Current/previous family members Co-workers	Education, occupation Place of employment Employment history Work phone Business vehicle	Finance Bank cards Accounts Properties Retirement benefits Insurance

Turvey (2012:182-184)

Mendell (2013:55-56) states that profiling includes:

- Blogs
- Major social networking site, e.g. Facebook
- Web sites
- Twitter

According to Mdluli (2011:202-203), the red flags that can be identified from fraud offenders are as follows:

- Personal traits: intelligence, ambition
- Educational qualifications: person's position in a company
- Specialist knowledge: management skills

- Trust: person in executive position.

According to Jackson and Jackson (2011:7), another source of information is intelligence, which will then be useful for connecting a criminal with a crime.

They further indicate that the computer software that was developed by West Midlands police in conjunction with forensic crime services known as Forensics led Intelligence System (FLINTS) accesses a data warehouse that holds many different types of information, including crime reports, custody reports, firearms register, automated fingerprints and DNA that assist to identify criminal networks, make connections between the offender and places, establish patterns of crime, geographical profiling, crime hot-spots, and pending crime.

In light of the six participants' views, it is an indication that they agree with the authors mentioned above, in that the types of profiling are geographical profiling, forensic profiling, offender profiling and racial profiling. The participants also indicated that indeed profiling requires the involvement of a psychologist during the investigative stage, when the offender is unknown and there are few leads.

3.25 Sources of Profiling

Dorrell and Gadawski (2012:75) advise that there are several Internet sources where investigators could obtain their information, for example:

- Black book: A gateway site to hundreds of additional sources;
- Know x: Extraordinarily rich site for forensic investigators to conduct a progressive level of profile-related business and assess assets;
- Skip trace.

The Parliamentary Monitoring Group (2018) states that a source of profiling in SAPS is the Local Criminal Record Centre (LCRC). Their role is to:

- trace fingerprints through fingerprints database;
- computerize relevant information relating to crime;
- provide information relating to crime

Experian (2018-07-15) is a source that provides assistance with making an informed decision in respect of profiling customers, managing a customer's credit records, identifying credit risk, preventing fraud, recovering debt, and exercising business due diligence. In agreement with the

literature, the participants indicated that the sources of profiling are SAPS' LCRC, as well as the military investigators, and credit bureaux.

3.26 Summary

By virtue of the power vested in the SAPS, SSA and SANDF by the Constitution of South Africa, they are the only organs of the State that may conduct vetting.

From the discussion under vetting as a forensic technique to investigate employment fraud, it shows that the public is very concerned about the credibility, credentials, honesty, trustworthiness, impartiality and transparency of the officials that occupy critical positions within an organ of the State. The public demands that the candidates and officials that are in public office be vetted to eliminate doubt about them and block specific crimes such as fraud, corruption, espionage, sabotage, subversion and terrorism attacks.

It was highlighted that vetting is a tool that can be useful during profiling, investigation, and prevention of crime. It can be reactive or proactive. Vetting can also be used to recover damages or financial losses.

Vetting should be conducted in the early stages of recruitment. It must be conducted in a well-planned manner, for example intelligence gathering where there is a requirement for planning, collecting, correlating, analysing, evaluating and disseminating information, and refining it so that it can be used by decision-makers.

The National Strategic Intelligence Act 39 of 1994 highlights that forensic vetting is a counter-intelligence measure to reduce threat, risk and vulnerability.

The levels of forensic vetting are Top Secret, Secret and Confidential. These categories of vetting are concerned mainly with information that could be used by hostile entities to subvert the objectives of the organization. They are concerned with the information that, if it lands in the wrong hands, would disrupt the normal functioning of the organization. Examples of such information is the organization's financial records, employee records, information relating to strategic infrastructure points such as power stations, information technology infrastructure and classified information.

It was highlighted that polygraph testing may also be used to conduct vetting. However, it was argued that the Constitution does not approve of it. A polygraph is very useful in order to identify guilt, eliminate suspects, establish truth, shorten an investigation and elicit a confession.

Vetting information can be obtained from banks, a person's tax records, his credit history, phone records, personal health history, court records and interactions with licensing boards.

There are several dimensions of employment fraud and they are resumé fraud, job fraud, recruitment fraud, fraudulent qualifications, corruption, bribery and money laundering.

Employment fraud can give rise to other crimes such as Workman's Compensation Fund fraud, "ghost" employees and corruption.

Employment fraud emanates from opportunities, psychological conditions, and the fraudster's biological self-regulatory system.

The government should be aware of companies, contractor's/construction companies and individuals that claim to be qualified in every aspect of service provision to the Government, whereas they are not. There is a necessity that all the companies that conduct business with the Government should be subjected to a due diligence process. People become politicians with the intention of obtaining lucrative tenders from the municipality, even though they do not qualify for provision of those particular services, or cannot comply with the specifications prescribed in the tender documents. Due diligence is an intelligence and information gathering and sharing exercise, during which a crime analyst traces information regarding a terrorist's financing, by means of surveillance, travel records, CCTV tapes and banking transactions. However, due diligence is not exclusively used with regard to terrorists. The service provider, its subcontractors and employees must also be cleared the level of confidential, secret and top secret.

To enable the DDI to make a sound judgement in respect of due diligence, Beekarry (2013: 27) further outlines that DDI should investigate the company's profile by concentrating on its investment records, the risk that could affect the company with regard to loss, as well as its financial records.

Due diligence prevents fraudulent activities as well as money laundering, which occurs when money passes through various offshore bank accounts. The purpose of due diligence is to assess the risk regarding the business profile, especially vendors, contractors, third parties and other associated people who perform services on behalf of the organization.

The types of due diligence are (i) administrative, (ii) financial, (iii) assets, (iv) human resources, (v) environmental, (vi) taxes, (vii) legal and (viii) customer due diligence.

Government departments and banks enter into deals that appear to be legitimate, and at a later stage they find themselves in trouble, as they have entered into transactions with companies that they know too little about and do not understand the underlying data.

During financial statement analysis, the investigator should check for falsified statements by investigating the following aspects:

- Overstatement of inventory
- Overstating assets and income
- Failure to record write-offs
- Not reducing the values of assets that have declined

Lifestyle auditing is the profiling of criminal lifestyle of an individual that is suspected of accumulating wealth illegally.

The net worth method will be useful to the forensic investigator to uncover illegal income that did not pass through SARS checkpoints, because the method relies on proof of particular transactions to show income.

Profiling refers to the activity of collecting information about a subject, especially with regard to his possible criminal record and his behaviour in that regard.

Profiling is a form of covert intelligence that can be used for the purpose of gathering intelligence concerning criminal activities in the life of the subject. The intelligence gathered will therefore be of use to investigation in the compilation of a records of the methods that are used by the subject in the commission of his crimes. This record could also be used for prevention and detection of crime.

Profiling for SAPS is carried out by LCRC. Their role is to:

- Trace fingerprints through the fingerprints database;
- Computerize relevant information relating to crime;
- Provide information relating to crime;
- Records of criminal convictions, as and when required by investigators.

CHAPTER 4: FINDINGS AND RECOMMENDATIONS

4.1 Introduction

The researcher selected forensic vetting as a method to investigate employment fraud so as to encourage investigators to obtain knowledge and understanding about the importance of the vetting technique in the investigation of employment fraud.

Employment fraud could be one of the following: applying for work with fraudulent qualifications, or the irregular appointment of a candidates and service providers,

During the development of the research study, **two research questions** arose to test forensic vetting as a method to investigate employment fraud.

The two research questions were formulated as follows:

- How forensic vetting is conducted as a method to investigate employment fraud?
- What is the importance of forensic vetting as an employment fraud investigation method?

From the two research questions, the researcher generated Chapters 2, 3 and 4

The researcher took the liberty of conducting the research study to provide proper direction to investigators, auditors, security officials, police officials and military intelligence officials to apply forensic vetting as a method to investigate employment fraud.

The findings and recommendations are highlighted to emphasize the importance of forensic vetting in the investigation of employment fraud.

Making use of forensic vetting will prevent employment fraud and also yield fruitful results in the resolution of employment fraud.

4.2 Findings

4.2.1 Chapter 2: Research Question 1

The researcher achieved the following findings by means of the literature and interview analysis:

How forensic vetting is conducted as a method to investigate employment fraud?

4.2.2 From the literature it was found that vetting is a security counter-intelligence measure and every employee of the State or organ of the State must be subjected to such vetting curb fraud, reduce risk, threat and vulnerability

4.2.3 During the testing of the **forensic vetting mandate**, it was found that there was no investigative technique that served the best interests of the corporate institution better than the employee vetting process. Conducting a preliminary pre-hire screening of the candidate is necessary when assessing the career profile of the applicant. It enables management to confidently hire applicants, and to develop a relationship of trust and integrity.

The literature has found that the olden eras of just hiring an employee on face value are over. These days the applicants lie too much about their curriculum vitae status/contents, business partners are defrauding each other, and service providers mostly lie about their creditworthiness. Employees are responsible for dishonesty, unlawful actions and inappropriate behaviour that cause massive losses for many organizations in the private and public sector, as these dishonest employees often collude with suppliers, customers, family members and members of the crime syndicate.

The literature has found that vetting investigation involves inquiries into the background of the employment applicants, as well as interviews and tests. It seeks to verify information such as details of education and experience supplied by the applicants, and to check on anything detrimental in all applicant backgrounds that can harm the organization.

The literature has confirmed that the only agent that can legally falsify his background status temporarily is UI on a mission of secret inquiries to obtain information and evidence that is difficult to obtain by means of an overt investigation, and to infiltrate a group of individuals to gain their confidence and trust so that information and evidence shared with him can be used by decision-makers.

From the point of view of the participants, vetting is the process of performing a background check on someone before offering him employment. The participants were asked the following question: “What is the mandate in respect of vetting in a forensic investigation?” They responded as follows:

- a) Vetting is the process of performing background check on someone before offering him employment (one participant)
- b) The process involves intelligence-gathering regarding the individual (one participant).
- c) Vetting starts during the recruitment phase to determine suitability and competence of candidates (one participant).
- d) The information that is required is a copy of the identity document, physical address, list of assets, relatives and friends (one participant).
- e) Vetting can be conducted when there is doubt about an employee’s security clearance (one participant).

- f) Vetting is a process that intends to investigate the integrity and ethical behaviour of a candidate by means of an investigation of his personality, conduct and credentials (one participant).
- g) SSA is mandated by the National Strategic Intelligence Act 39 of 1994 and was amended by the General Intelligence Law, Act 11 of 2013, to conduct and coordinate counter-intelligence (one participant).

The remaining three participants did not respond to the question.

4.2.4 **The vetting process** must be designed in such a way that it will benefit the entire society. It should be prioritized for the military and civilian security sectors, intelligence services, the judiciary, and all institutions that underpins the rule of law.

The following should be considered during the design of vetting:

- Consider the conditions and the risk of adverse results
- Discuss the vetting process with the subject and explain the purpose, objective and reason for the vetting.
- Prioritize the high-risk departments in the institution, especially those responsible for revenue collection.
- Select the category of vetting process that is suitable
- Define the vetting criteria
- Define the outcomes
- Develop an ad hoc vetting directive
- Respect the law and international standards
- Identify institutional reforms to safeguard the vetting process and to ensure the security competence of public servants

The participants were asked the following question, “How is a vetting methodology designed?”

- a) The five participants responded to the question that the VO must receive a vetting file from a supervisor, review the legal issues, arrange a meeting with the subject, explain his rights to the subject, request information from him, request references and request the subject to submit him-/herself to the polygraph test (two participants).
- b) Standard operating procedure must be developed (one participant).
- c) There should be an MoU between the company and the vetting institution. There should be consent. There should be a test of risk, threat and vulnerabilities (one participant).

- d) The vetting methodology must describe the process from the beginning to the end (one participant).
- e) The remaining five participants did not respond to the question.

4.2.5 The literature indicates that **there are three levels of vetting, as follows:**

Confidential: Classification is limited to information that may be used by an opposing hostile element to harm the objectives and functions of the institution. Information that is compromised might impede everyday functions.

Secret: This classification is given to information that might be used by hostile parties to disrupt the effective dissemination of information or operational planning, damage the operational relationship between institutions and the diplomatic relations of the State, and if it is compromised, might endanger the smooth operation of the company.

Top secret: When compromised, information in this category might disrupt the effective execution of the operational plan, and cause discontinuation of diplomatic relations.

Of the ten participants, only six responded to the question, “What are the levels of vetting?”

- a) The levels of vetting are: security clearance, baseline personnel security standard, counter-terrorist check and polygraph test (one participant).
- b) The levels of vetting are personnel security standard, counter-terrorist check, security check and developed vetting to determine security competence (one participant)
- c) The levels of security clearance are top secret, secret and confidential to confirm the information of the employee, namely whether he is an honest person or not (one participant).
- d) The levels of vetting are: top secret, secret and confidential, to scrutinize the information provided by the subject (one participant)
- e) Top secret deals with information that is highly classified, while secret deals with information that could cause harm to the institution if accessed (one participant)
- f) The levels of vetting are top secret, secret and confidential, according to which it is determined whether the employee or the candidate is trustworthy to handle the sensitive information of the organization (one participant)

The remaining four participants did not respond to the question

4.2.6 **The NIA (SSA)** has the legal mandate to conduct vetting in respect of its employees and employers that work in various public service institutions, national or provincial government, parastatal, SAPS, SANDF, and service providers. Mdluli (2011:54) indicates that SSA is

empowered by Act 39 of 1994 to conduct security screening in order to determine the security competence of a person that is employed by or is an applicant to an organ of the State, or is rendering a service to an organ of the State that will give him access to classified information.

Vetting officials or office bearers and investigators could cause significant intrusion upon the individual's freedom, privacy, dignity and reputation, therefore it is of vital importance that certain limits be placed on those powers in order to provide some measure of protection to the fundamental rights of the person being vetted. There is the right to privacy, which includes the right not to be encroached upon, disturbed at one's home, have one's body observed or interfered with, as well as the right not to have one's personal information revealed to others without consent.

The National Strategic Intelligence Act 39 of 1994 clearly indicates that every individual within an organ of the State must be subjected to the vetting process. There is also provision for the release of an individual's personal particulars to law enforcement for legitimate purposes. The legal mandate during the vetting process is to refrain from infringing on the privacy of the employees (three participants). The main mandate with regard to vetting investigations is to protect national security and the citizens, as well as their rights. Furthermore, vetting protects the territories and the infrastructure (electricity depots, information technology institutions), including information and assets that belong to the government and private organizations. Section 2A of the National Strategic Intelligence Amendment Act 2 of 2002 should be considered (one participant). The power and the legal mandate in respect of vetting are vested in SSA (one participant). Consent should be given by the subject before vetting is carried out (one participant). The remaining four participants did not respond to the question.

4.2.7 Polygraph testing is one of the unpleasant parts of vetting, which is definitely hated by most of the employees. This testing may be conducted in order to determine the reliability of information gathered during an investigation to make certain, confirm or examine in a scientific manner the truthfulness of a person. It involves uncovering deception by means of the analysis of physiological responses to a structured series of questions.

Of the ten participants, only seven responded to the question, "Can you explain what a polygraph test is, used during the vetting process?"

- a) Polygraph testing is a tool that confirms the reliability of the information provided by the subject during a vetting interview. The results of the polygraph will therefore be compared

with fingerprint results to determine whether the individual was telling the truth that he has no criminal record (one participant).

- b) A polygraph tests the reliability of information submitted by a subject during a vetting interview (one participant)
- c) The polygraph test determines whether the subject's information is in line with the documents submitted by him during the vetting interview (one participant)
- d) Polygraph is a device or procedure that measures and records several physiological indicators such as blood pressure, pulse, respiration and skin conductivity of a subject while he is being asked a series of questions to determine the accuracy of the information he submitted. Polygraph results are not admissible in court because the body responds to anything that is attached to it. (one participant)
- e) A polygraph tests the honesty and integrity of the subject for the purpose of ensuring that he is trustworthy (one participant)
- f) Two participants shared the idea that a polygraph is a lie detector. It is used to measure and record physiological indicators such as blood pressure, pulse, respiration and skin conductivity, while the subject is being asked a series of questions (two participants).

4.2.8 The objectives of polygraph test are to determine the reliability of information gathered during an investigation and to ascertain, confirm or examine in a scientific manner the truthfulness of a statement of a person. The participants responded as follows to the question, "What are the objectives of a polygraph test during vetting?"

- a) The objectives of a polygraph are to gather information from the individual and to determine his guilt or innocence (one participant)
- b) The objective of a polygraph test is to compare conflicting statements (one participant)
- c) The objective of a polygraph is to compare the information obtained during the vetting interview by the VO (one participant).
- d) The objective of a polygraph test is to determine whether there is consistence in the facts in the information that has been obtained from the subject (one participant).
- e) The objective of the polygraph is to identify an individual who poses a threat to the organization's security, by verifying the information provided by the subject with the polygraph results (one participant)
- f) The objective of the polygraph test is to determine the truthfulness of the information that was submitted to the VO by the subject (one participant)

- g) The objective of the polygraph test is to determine whether the subject is honest about his life profile and his criminal status (one participant)

The remaining three participants did not respond to the question

A polygraph is fairly consistently rejected by government officials but is also considered a useful tool in conjunction with other supporting evidence.

4.2.9 **Sources of information** during vetting are **public records**, that is, names, date of birth, identity, address, close relatives and friends, criminal background, sued or not sued, business transactions, and professional licenses obtained.

Non-public records are credit card account, phone history, personal health, building inspector records, building permits, blueprints and plans, public school records, court record, civil court record, divorce record, bankruptcy record, criminal records, land registry, commercial records office, department of labour, licensing boards, customs and revenue agencies.

Of the ten participants, only seven responded to the question, “What are the sources of information during vetting?”

- a) The sources of information during vetting are the candidate’s references (one participant)
- b) The information that must be sourced from the subject during the vetting process includes the identity number, date of birth, residential addresses and criminal record (one participant). The answer was not in line with the question. The answer was supposed to be Department of Home Affairs, Criminal Record Centre, various banks and service providers such as the credit bureau
- c) Five participants shared the idea that the information for vetting can be sourced from banks, assets registration, newspapers, families, relatives and friends (5 participant)

4.2.10 During **pre-employment screening**, the investigators search for criminal records, biographical data, employment history, personal behaviour and financial status, integrity, military history, behaviour under influence of alcohol, driving capability, perjury or falsification of official reports, bribes and gratuities, violence.

The participants were requested to respond to the question, “What are the sources of information during vetting”, and they replied as follows:

- a) Of the ten participants, only seven responded to the question by replying that the sources of information during vetting are the subject’s or candidate’s references (one participant).

- b) The information that must be sourced from the subject during the vetting process is his identity number, date of birth, residential addresses and criminal record (one participant). The answer was not in line with the question.
- c) Information can be sourced from banking institutions and the property records offices (five participants).

Background screening is conducted by the recruiters to determine the suitability of the candidates and security vetting commences after background screening has been conducted.

4.2.11 It was found that fraudsters are way ahead of the law enforcement agencies, risk officers, auditors, police officials, crime analysts and investigators, in that the latter are always at the tail end, following up the damage and planning to conduct damage control, though the damage has already been done. That is why **forensic vetting is very important to be applied** as a technique to prevent all those damages and establish preventive measures that will impede the criminals in their quest to manipulate the administrative systems.

Of the ten participants, only seven responded to the question by replying that pre-screening is used to:

- a) Determine the authenticity of the records of the candidate in order to evaluate the criminal record, credit record, legitimacy of qualifications, and confirmation of employment history (seven participants).
- b) The remaining three candidates did not respond to the question.

It was found that there is a requirement that the institutions in governmental, organs of the State and private spheres must adopt the forensic vetting practice to minimize fraudulent activities in their organizations. Forensic vetting can be used as an internal and external control, as it is an important step in the right direction for the organization to prevent and detect employment fraud.

4.2.12 **Employment fraud** has four dimensions, as follows: job fraud, recruitment fraud, qualification fraud and resumé fraud.

Of the ten participants, only seven responded to the question, “How is vetting applied to prevent employment fraud?”

- a) That employment fraud is when a candidate intentionally misleads the employer by submitting fraudulent qualifications to secure a job (three participants).

- b) An attempt by shell companies to defraud people who are desperately seeking employment by giving them false hope of employment with high salaries (two participants).
- c) Employment fraud involves activities such as fraudulent misrepresentation of income and claiming self-employment in a non-existing company (one participant).
- d) Awarding a tender to a service provider that does not have proper documents such as operating licences, BEEE certificates and without financial back-up (1 participant).
- e) The remaining three participants did not even attempt to respond to the question.

4.2.13 It was found in the literature that **fraud** is the strategy that an insincere/dishonest person can devise to gain financial benefit over another by means of false proposals, in an unfair way.

It has been found that the elements of fraud are misrepresentation, unlawfulness and intention.

Of the ten participants, only seven responded to the question, “What is fraud?”, by replying that fraud is an unlawful act, with the intention of making a misrepresentation to another that causes financial harm to another person (four participants).

- a) Fraud is unlawful criminal deception committed for personal gain (two participants).
- b) Most of the suspects that commit fraud have high IQs, since they are able to manipulate the system (one participant).
- c) The remaining three participants did not answer the question.

4.2.14 There is a **variety of fraudulent activities** in the working environment that could originate from employment fraud, in the sense that when candidates with the intention to commit fraud find an opportunity in the institution, they might commit the following types of fraud: corruption, assets misappropriation, financial statement fraud, payment fraud, procurement fraud and travel subsistence fraud.

- a) The participants’ views are that the types of fraud are corruption, misappropriation of assets and funds, and financial fraud (two participants).
- b) Categories of fraud are cheque fraud, pyramid schemes, charity fraud, identity fraud, credit card fraud, debt consolidation and insurance fraud (one participant).
- c) Phishing (one participant).
- d) Fraudulent qualifications, money laundering and Ponzi schemes (one participant).
- e) Corporate fraud, influencing of decisions, conflict of interests, falsifying information (one participant).

- f) Distortion of the truth (one participant).
- g) Three participants had no knowledge regarding the variety of fraudulent activities.

4.2.15 Manifestation of fraud: It is developed from identity theft, as it makes it possible for the subject to commit fraud by using the stolen identity to reproduce fake documents based on the identity number. It provides the anonymity for criminals to carry out monetary theft.

Fraud occurs during normal operation of daily activities and it is often perpetrated by individuals in a position of trust. Mdluli (2011:200-201) states that it takes place when the daily work activities are not monitored when the motivation arises and an opportunity presents itself. Moreover, Mdluli (2011:200-201) indicates that the cause of fraud could be dissatisfaction regarding the salary or fringe benefits, unrealistic pressure from the organization to perform, a feeling of being exploited, unforeseen expenditure, and a need or greed.

- a) The participants indicated that fraud originates from greed, rationalizing gambling, bad habits and opportunities in the presence of poor internal controls (two participants).
- b) Overriding of internal controls by employees to commit fraud (one participant).
- c) Lack of fraud awareness (one participant).
- d) Identifying concealment of misrepresentation (one participant).
- e) Misrepresentation of facts in a working environment (one participant).
- f) Someone taking advantage of another with the intention of depriving him of his valuables (one participant).
- g) Three participants did not respond to the question.

4.2.2 Finding 2

4.2.2.1 Chapter 3: Research Question 2

What is the importance of forensic vetting as an employment fraud investigation method?

4.2.2.2 It was found that vetting can be used to **identify, discover or reveal, prevent, investigate, and to be reactive as well as proactive to any form of fraud**. The researcher is therefore of the opinion that should vetting be carried out properly, the crimes identified that emanate from employment fraud could be prevented, and so reduce the risk of damage and losses at the company.

- a) It was said by one participant that, during the vetting process, false information about the individual concerned will be uncovered.

- b) Through analysis of the information submitted by the subject, misrepresentation, unlawfulness and the intention to defraud will be detected (one participant).
- c) Vetting could take place by means of a lifestyle audit if the instruction is extended that far (one participant).
- d) Vetting ensures that the candidates are who they say they are and that they have been security-cleared (one participant).
- e) Proactive measures are taken to determine whether the subject is susceptible to corrupt activities by examining his/her honesty, integrity and ethics, based on the information submitted to the VO (one participant).
- f) If the candidate is found to be unsuitable, he will be disqualified. If an employee is found to be involved in fraudulent activities, he will lose his job and a criminal charge laid against him. The funds will be recovered (one participant).
- g) The remaining four participants did not respond to the question. This indicates that proper training should be provided to investigators.

4.2.2.3 The purpose of a vetting investigation is to gather, correlate, evaluate and analyse domestic intelligence to identify any threat or potential threat to the security of the Republic or its people.

Another purpose of vetting is to determine the security competence of a person, if such a person is employed by or is an applicant to an organ of the State, is rendering a service or has given notice of intention to render a service to an organ of the State, which service may give him or her access to classified information and intelligence in the possession of an organ of the State or give him/her access to an area designated as an NKP in terms of the National Key Points Act of 1980 (Act 102 of 1980).

Of the ten participants, only seven answered the question, “What are the purposes of vetting?” as follows:

- a) The vetting process assesses the integrity of the candidate to determine suitability for public employment and to prevent employment fraud (one participant).
- b) The purpose of vetting is to evaluate the individual’s character, attributes, background and past actions (one participant).
- c) The purpose of vetting is to ensure that the credentials of a candidate are suitable for a particular position (one participant)
- d) Vetting evaluates the candidate’s integrity and honesty, and determines whether the individual can handle sensitive information if employed in a critical position such as

finance and supply chain management, as well as investigation management (three participants).

- e) Vetting determines the level of risk involved when employing a candidate (one participant)

The remaining three participants did not respond to the question.

4.2.2.4 During the **examination of vetting information employment fraud**, the forensic investigator must photograph the layout of the scene and documents found at the scene. The subject will be forced to indicate where he manufactured his diploma or degree, and when that particular place is found by the vetting officer, he will treat it as a crime scene. The document suspected of being part of a fraudulent paper trail must be handled as little as possible and secured in such a way as to prevent any further handling, folding, marking or impressions. Moreover, it might be beneficial to secure computers, printer seals, papers and notepads.

- a) The information must be booked to SAPS for analysis and examination to prove misrepresentation (two participants).
- b) Safeguard the scene, preserve evidence, collect data, take corrective action and report-the matter (one participant).
- c) Collate the information and analyse the documents submitted and also conduct interviews with the subject (one participant).
- d) Apply the required skills to examine the information, use applicable software and testify, based on direct examination (one participant).
- e) Verify qualifications, loans, assets and liabilities (one participant).
- f) The remaining four participants did not respond to the question.

If fraudulent qualification certifications are generated by means of the Internet, all electronic equipment such as computers, laptops, printers, scanners and hard-drives must be photographed, seized, collected, packaged, sealed, preserved and marked with the relevant storage recognition numbers and be transported to the forensic laboratory for expert examination. Every official who lays his hand on such evidence must account for it by inscribing his signature in a record book or by making a statement with regard to the chain of custody.

4.2.2.5 People are deemed good or bad on the basis of their risk profiles.

- a) According to the participant, the VO must evaluate the information that was submitted by the subject in order to authenticate the credentials (one participant).
- b) Assess the impact of the identified risk (one participant).

- c) Evaluate subject's bank accounts, service providers' accounts, and determine the subject's security competence, integrity, honesty and transparency (three participants).
- d) Evaluate accuracy and reliability of subject's information (one participant).
- e) The remaining four participants did not respond to the question.

The organization has to develop a credible risk profile by conducting an effective risk assessment to better identify the threat in their recruitment process. The risk is anything that increases the potential for future loss and reputational damage in the daily operation of the organization.

4.2.2.6 **Threat** indicators help managers to understand how the impact of hiring a person with negative results can affect the organization. Negative results could be aspects such as previous convictions and pending cases, as well as fraudulent documents submitted by the subject. A threat assessment is a process by means of which analysts assemble and interpret information in order to assess the threat faced by a potential target. A target may be a person with knowledge of the organization's economic interest, or valuable intellectual property that must always be kept confidential.

Of the ten participants, only six responded to the question, "How is vetting information evaluated to determine a threat?"

- a) They said that all sources of information submitted by the subject must be scrutinized to determine whether the subject is susceptible to risk and is a threat to the organization (two participants).
- b) The threat will be determined by way of the subject's security clearance or denial of clearance (one participant).
- c) A person who sources critical information from the organization and uses it against the company is presumed to be a threat. An employee's high volume of unmanageable debt is a red flag and indicates a threat (one participant).
- d) Assess whether the impact of a threat is high or low (one participant).
- e) The remaining five participants did not respond to the question.

4.2.2.7 **The literature indicates that vulnerability** is when a business or a person is susceptible to either physical or emotional harm or exploitation. Fraudsters will infiltrate a company in order to acquire sensitive information. It was further found that the vulnerability of an employee may result in that person bowing under pressure from hostile agents and engaging in fraudulent activities such as providing sensitive company information to the hostile forces.

The respondents were asked the following question, “Please explain vulnerability based on the vetting information”

- a) The participants responded that a high volume of debt makes a subject vulnerable and this might lead to him being susceptible to a request to manipulate information and provide it to counterparts or hostile people (four participants).
- b) Vulnerable subjects provide unreliable information (one participant).
- c) The vetting official relies on reliable information (one participant). The remaining four participants did not respond to a question.

4.2.2.8 The purpose of a risk, threat and vulnerability evaluation, based on data collected during the forensic vetting exercise, is to provide decision-makers with a clear picture of possible undesirable events, current and potential probabilities, consequences, and recommendations to eliminate, minimize or address specific risks, threats and vulnerabilities of the organization. Another purpose is to facilitate decision-making regarding the setting of priorities, planning and programme requirements, strategies and policy development.

Evaluation of risk, threat and vulnerability is aimed at reducing the exposure to risk during operations. The participants were asked the question, “What is the purpose of evaluation?”

- a) The participants responded that the purpose of evaluation is to manage the risk, quantify it and strategize in respect of ways to remove, mitigate or transfer the risk (two participants).
- b) To eliminate doubt and ensure security competency of the employees (two participants).
- c) Confirm suitability of the candidates and determine whether there are any negative results from the vetting of the person (one participant).
- d) Vetting plays an important role in the protection of the organization’s assets and information (one participant).
- e) The remaining four participants did not respond to the question.

4.2.2.9 The advantage of vetting is that it identifies red-flag indicators or clues about the candidate’s work, and his behavioural and criminal profile, and it enables the decision-makers to come to a sound conclusion. The participants responded to the question, “What are the advantages of vetting?” as follows:

- a) The participants said that vetting helps to identify employment fraud, occupational fraud, risk, threat and vulnerability. It discourages the employees from misbehaving and promotes integrity and good governance (two participants).
- b) Vetting reveals lies and manipulation by candidates and identifies criminal records, fraudulent qualifications, liabilities and assets (one participant).
- c) Vetting prevents and detects fraud and future risk, as well as enhancing an ethical culture (two participants).
- d) The vetting process enhances peace of mind for the organization, knowing that a suitable, high-calibre candidate with proper skills has been appointed. The process also increases productivity and improves regulatory compliance (one participant).
- e) The remaining four participants did not respond to the question.

4.2.2.10 **The disadvantage of vetting** is that it can be misused for the elimination of contenders in a political arena, and expulsion of employees that the leader deems untrustworthy, which will undermine their rights in terms of the Bill of Rights. Vetting can be used to remove employees and senior officials that are dishonest and untrustworthy to promote the smooth operation of an organization.

Another warning, issued by the United Nations Development Programme (2006:14), states that a large number of removed employees might drift into criminal opportunities and destabilize or paralyse the institution's sensitive data. They might also turn to armed opposition or organized crime and create a security risk, threat and vulnerability.

The participants were asked the question, "What are the disadvantages of vetting?" and they responded as follows:

- a) The participants said that vetting can be regarded as a manipulation tool to get rid of the opposition or competitors. It also violates human rights since it invades personal and private space (three participants).
- b) Might be costly. The employer might face litigation from candidates who felt prejudiced by the vetting process, and might be accused of human rights abuse (two participants).
- c) Mistakes could occur during verification of the candidate's records and the data might be incorrect. There are also concerns about privacy (1 participant).
- d) The remaining four participants did not respond to the question.

Vetting might lead to the exclusion of a high number of employees from the institution, due to its high-integrity standard set-up. It could also lead to the disqualification of employees with

impaired integrity from certain categories, or from all posts in the public service sector, or they might be demoted, barred from promotions, reassigned or suspended. Vetting could disqualify criminal offenders whose transgressions occurred many years previously but who have since developed to be responsible, experienced and highly qualified candidates for the position being offered.

There are candidates with repeated cases of drunk driving that ended up being withdrawn at court. Vetting officers cannot use withdrawn cases to disqualify a candidate but must obtain the court results to verify why the cases were withdrawn.

4.2.2.11 It was found during the research that due diligence must form part of the vetting in order to eliminate fear of reputational damage, financial losses and poor service delivery. The government should guard against companies and individuals that claim to be qualified in every aspects of service provision to the government but are not. There is a need for all the companies that are in the government database to be subjected to the due diligence process.

The participants were asked the question, “Can due diligence be exercised as an element of vetting during forensic investigation?”, and they responded as follows:

- a) One participant said that due diligence would reveal information about the company that is due to be awarded a tender (one participant).
- b) Determine the risk of a company (one participant).
- c) Secure the funds, protect the reputation of the institution, and determine fraudulent employment (one participant).
- d) Determine the security competence of a service provider (one participant).
- e) Know the company you are dealing with by linking their board of directors to the bid specification and bid evaluation committees to determine whether there is no conflict of interests, and to eliminate intentions of employment fraud (one participant).
- f) Yes, due diligence must be introduced (one participant).
- g) The remaining four participants did not answer the question.

4.2.2.12 During the research it was found that when conducting **due diligence with regard to prospective companies**, the investigators should be aware of red flags and look into payment patterns or financial arrangements, history of corruption, refusal by foreign joint partners or representatives to provide a certification that it will not take any action in furtherance of an unlawful offer, payment of a foreign public official, unusually high commissions, lack of transparency in express and accounting records, apparent lack of qualifications, investigating

third-party partners and representatives as to whether they are qualified to perform the service offered, whether they have professional ties to government officials, the number and reputation of their clientele, reputation with banks.

The participants responded as follows to the question, “How is due diligence conducted in respect of prospective service providers?”

- a) The participants responded that due diligence must be exercised in segments and the following must be scrutinized: the ownership of a service provider, board of directors, financial statement, spending, assets, strategic plans, human resource issues, legal issues, certificates of work that have been completed, pensions and medical aid of employees as well as certificates of operation (four participants).
- b) Conduct due diligence with due care, competency and professionalism (one participant).
- c) Check whether the bidding company is registered, who the directors are, potential conflict of interest, check with National Treasury for blacklisting, tax compliance with SARS, and BEEE status (one participant).
- d) The remaining four candidates did not answer the question.

4.2.2.13 The purpose of due diligence is to prevent fraudulent activities such as money laundering. The authorities and banks work together so that they can flag suspicious huge amounts of money that are transferred out of the country. A due diligence exercise will uncover/detect suspicious transactions during financial statement analysis and report on the activities accordingly.

- a) The participants responded that due diligence determines the capabilities, strength and financial muscle of a service provider (two participants).
- b) Plan in accordance with the prescribed methodology when conducting due diligence (one participant).
- c) To gain better insight ~~of~~ about a company and examine the documents that were submitted by the board of directors for tendering in order to determine their security competence (one participant).
- d) To enable the management to prevent employment fraud by reviewing and-evaluating all documents obtained from service providers (one participant).
- e) The purpose of due diligence is to uphold security competence and to protect the economy of the organization (one participant).
- f) Care and competency (one participant).

g) However, the remaining four participants did not answer the question.

4.2.2.14 **Types of due diligence** are the following:

- a) Administrative due diligence
- b) Financial due diligence
- c) Assets due diligence
- d) Human resources due diligence
- e) Environmental due diligence
- f) Taxes due diligence
- g) Legal due diligence and
- h) Customer due diligence.

In support of Corporate Finance Institute (2018), six participants responded as follows to the question, “What are the types of due diligence?”

- a) Four of the participants confirmed that the categories of due diligence are as stated above.
- b) The categories of due diligence are due care, competency and professionalism (one participant). The answer was not in line with the question.
- c) The categories of due diligence are to examine strategies, operational due diligence (one participant).
- d) The remaining four participants did not answer the question.

4.2.2.15 Silverstone et al (2012: 73) found that a **financial analysis** can be conducted as part of due diligence before a transaction occurs and as part of investigations after fraud has occurred or is believed to have occurred. They further added that even officials at government departments and banks get swept up or fall into deals that are too good to be true as they enter into transactions with companies that they know too little about and of which they do not understand the underlying data.

In response to the question, “What is a financial statement”, the participants replied as follows:

- a) The participant said that a financial statement consists of assets, liability and equity. That means that assets are compared to the subject’s income (one participant).
- b) The participants indicated that a financial statement consists of an income statement, balance sheet, statement of changes in equity, and a statement of cash flow (two participants).

- c) A financial statement consists of four major components, namely assets, liabilities, equity, revenue and expenses (two participants).
- d) It is a formal financial record of the company that confirms their financial status, including their debts (one participant).
- e) The remaining four participants did not answer the question.

There are four elements in **financial statements** and those are:

- a) statement of financial position,
- b) income statement,
- c) cash flow statement, and
- d) statement of changes.

The participants said that the types of financial statement are:

- a) Income statement,
- b) balance sheet,
- c) cash flow statement, and
- d) statement of changes in shareholder equity (six participants).

However, the remaining four participants did not answer the question.

4.2.2.16 **Lifestyle audit** includes obtaining and furnishing information as to the personal character or action of any person or the character or nature of the business or occupation of any person.

The legislation does not usually grant an investigator any special power with regard to a lifestyle audit, and it will be bound by the usual laws that govern such matters. The cautions in this regard is that if the investigators are conducting an investigation without due legal authorization, it could lead to a legal issue. A lifestyle audit can be conducted only upon authorization by a magistrate from the court to avoid legal issues such as being sued for invasion of privacy. It should be noted that there must be an application to conduct a lifestyle audit with regard to a subject. No one can just decide to conduct a lifestyle audit without authorization from the court.

The lifestyle audit is the profiling of the criminal lifestyle of an individual that is suspected of accumulating wealth illegally. Bennett & Hess (2004: 16) states that the due diligence researcher should look at aspects such as the individual's involvement in drug trafficking, directing terrorism, human trafficking, arms deals, counterfeiting, intellectual property offences, sexual offences relating to pimps and brothels, as well as money laundering conspiracy.

Of the ten participants, only six answered the question, “What is a lifestyle audit?”

- a) A lifestyle audit is an investigation into an employee’s behaviour and his net worth, identifying the source of his wealth and calculating it against his income (four participants).
- b) To determine the assets and liabilities as opposed to the subject’s income, to demonstrate whether or not a person is living beyond his means (one participant).
- c) It is a management tool used by auditors to identify fraud (one participant).
- d) The remaining four participants did not answer the question

4.2.2.17 Silverstone et al (2012: 73) states that a lifestyle audit is a **critical management tool** that is used to identify staff members who, based on their extravagant lifestyle, may potentially be engaging in illicit activities. It can also serve as a first-step mechanism to determine whether an allegation of suspected fraudulent activities potentially has merit or not.

Six participants responded as follows to the question, “How can a lifestyle audit identify fraud committed by employees?”

- a) Fraud can be identified by checking the finances of the subject (four participants).
- b) The fraud can be identified by checking external sources of income and inheritances (one participant).
- c) Identify red flags visible in the daily work of the employee (one participant).
- d) The remaining four participants did not respond to the question.

The most important aspect of the lifestyle audit process is to work at high speed to examine the subject’s books, papers, records and documents.

The participants were asked the following question: “How are red-flag indicators of employment fraud recognized during a lifestyle audit?”

- a) The participants said that there will be an indication of a high-level lifestyle such as the acquisition of expensive assets, properties and businesses, expensive trips and clothes (two participants).
- b) Exorbitant spending, such as expensive bottles of liquor, and a sudden change in the general lifestyle (1 participant).
- c) The red-flag indicators are inexplicable and the bank statement will reveal that funds have been deposited by unknown sources (one participant).
- d) Identify elements of living beyond his means (one participant).

- e) The remaining five participants did not answer the question.

4.2.2.18 According to opinions voiced in the literature, no matter how desperate the government is to fight fraud, corruption, money laundering and bribery, it does not mean that it should violate the constitutional rights of the people by subjecting them to arbitrary and inhumane treatment.

The use of credit information for a lifestyle audit is strictly controlled by the Material Credit Act 34 of 2005. However, Section 17(4) of the regulation of the National Credit Act specifically provides for the use of credit information for fraud prevention and detection. The participants responded as follows to the question, “What are the legal considerations during a lifestyle audit?”

- a) The participant said that the scope and level of the lifestyle audit should be such that all individuals are equal before the law (one participant).
- b) The official responsible for the audit must guard against infringement of the subject’s privacy (three participants).
- c) The subject must be informed of the lifestyle audit and no device must be activated to monitor the person (two participants).
- d) The remaining four participants did not answer the question

4.2.2.19 **The net worth method** is a common indirect balance sheet approach to establish income. It is very rare to note an official in the public service with a substantially high net worth when the salary is average. However, investment programmes make it possible for an official in the public service to have a moderate or medium net worth. Indeed, the participants agreed with Crumbley et al. (2013:6061), Madinger (2012:109) and Investopedia (2018) by asserting that all the assets, liabilities and properties constitute the subject’s net worth.

The participants were as asked: “How is net worth assessed during a lifestyle audit”, to which they responded as follows:

- a) This must be compared to the subject’s income and if there seems to be a discrepancy, there will be red flags regarding the inexplicable source of income (four participants).
- b) Unless the subject acquires an inheritance or wins the Lotto, the net worth will not increase (one participant).
- c) Should an unjustifiably high net worth emerge during investigation of a government employee’s profile, the head of the department will authorize a high-level investigation by Commercial Crimes (one participant).
- d) The remaining four participants did not respond to the question.

A financial statement analysis reveals misrepresentation of the financial position engineered by misstating amounts or disclosures to deceive the financial statement users.

The participants were asked the question, “How is financial statement fraud revealed?”

- a) The participants responded to the question, stating that the fraud is revealed by analysing the subject’s finances, by scrutinizing the bank statement and identifying the sources of income (three participants).
- b) Financial statement analysis may uncover concealed funds (one participant).
- c) The investigator must analyse the journal entries that were processed and carried over to the next financial year by the subject (one participant).
- d) The remaining five participants did not answer the question.

4.2.2.20 **Profiling** is the application of forensic psychology to investigate crime, to understand the cause of crime, and how it can be prevented. The behaviour reflects the personality. Profiling includes gathering information about the applicant’s economic or credit profile, personal profile, family and criminal profile, driver’s licence verification through e-Natis, and verification of qualifications.

The participants were asked the question, “Can you explain profiling as an element of due diligence during a vetting investigation?” Of the ten participants, only five replied, as follows:

- a) Profiling identifies the red flags regarding the companies that have been selected for a tender process (one participant).
- b) Profiling helps to link information about the company’s operations and produce hard-core evidence (one participant).
- c) The purpose of profiling is to conduct background checks on previous employment and pending criminal cases (one participant).
- d) Classification of the subject’s character and behaviour (one participant)
- e) Profiling examines finances, place of birth, criminal records, qualifications, deeds, and marital status (one participant).
- f) The remaining participants did not answer the question.

4.2.2.21 **The purpose of profiling** is to provide a means of narrowing the range of potential suspects by looking at their social and psychological assessments - basic information such as personality, age, sex, employment, education, marital status, psychological evaluation of an

offender, linking him/her to the crime scene photos and fingerprints, closed questioning and leading questioning.

The participants were asked the question, “What is the purpose of profiling?”

- a) Five participants responded that profiling of a potential suspect is developed by means of research and the profiler’s professional experience, using available information from the local criminal records centre to determine the subject’s previous conviction(s) (one participant).
- b) To examine the data available from existing information and collect statistics or informative summaries to find out whether the information can be used for the purpose of investigation (one participant).
- c) Profiling assists decision-makers to reach a fair decision (one participant). Profiling is used to develop leads for investigation and link the suspect to the crime committed (one participant).
- d) Reveals risk and threat (one participant).
- e) The remaining five participants did not answer the question.

4.2.2.22 **Profiling** is a form of covert intelligence that can be used extensively for the purpose of obtaining information about the suspect’s criminal acts. Build a broader background picture or context that helps with crime prevention and detection, to obtain evidence of the past, or planned future crime, or ongoing systematic criminality. Of ten participants only six responded to the question, “What are types of profiling”

- a) In view of the six participants’ opinions, it is an indication that they agree with Padgett (2015:186-188), Turvey (2012:182-184), Mendell (2013:55-56), Jackson and Jackson (2011:7), as they indicated that the types of profiling are geographical profiling, forensic profiling, offender profiling and racial profiling (three participant).
- b) The types of profiling are geographical profiling, forensic profiling, offender profiling and racial profiling (three participant).
- c) The remaining four participants did not respond to the question.

4.2.2.23 **The Forensics-led Intelligence System (FLINTS)** can access a data warehouse that holds many different types of information, including crime reports, custody reports, firearms register, automated fingerprints and DNA that are used to identify criminal networks, make

connections between the offender and the crime scene, establish patterns of crime, geographical profiling, crime spots, and pending cases.

4.2.2.24 The Parliamentary Monitoring Group (2018) found that the **source of profiling** in SAPS is the LCRC and their role is to trace fingerprints by means of the fingerprints database, computerize the relevant information relating to a crime, provide information relating to crime and to criminal convictions, as and when required by investigators. The participants' opinions agree with the literature and they indicated that the sources of profiling are SAPS' LCRC, Military Intelligence, and the credit bureaux.

4.3 Recommendations

4.3.1 Research Question 1

The recommendations from the findings are as follows:

How forensic vetting is conducted as a method to investigate employment fraud?

4.3.1.1 There is a need for more research by other researchers about the concept of forensic vetting in order to gather more information for the purpose of assisting the investigators, government and private businesses in a fight against employment fraud.

4.3.1.2 It is recommended that intensive vetting training be provided to investigators.

4.3.1.3 It is recommended that Human Resources Departments adopt a forensic vetting approach in all spheres of recruitment.

4.3.1.4 It is recommended that investigators should be provided with workshops, seminars and short courses to familiarize themselves with the purposes, legal mandate, levels of vetting, polygraph testing, objectives of vetting, sources of information and pre-screening with regard to vetting.

4.3.1.5 It is recommended that investigators be trained in respect of the specific crimes that fall under employment fraud, the manifestation of fraud, the importance of vetting for investigation, prevention of employment fraud, examination of fraudulent documents, evaluation of risk, threat and vulnerabilities, as well as forensic vetting methodologies.

4.3.2 Research Question 2

4.3.2.1 It is recommended that investigators must receive proper training in respect of the elements of forensic vetting such as due diligence, lifestyle audit, net-worth method, financial statement, legal considerations and profiling.

4.3.2.1 It is recommended that forensic vetting should be applied across the board in government and private sectors to eliminate employment fraud.

4.4 Conclusion

The main aim of the study was to evaluate forensic vetting as a technique in the investigation of employment fraud, and it was easily defined without difficulty.

The purpose of the research study was to lay the groundwork for potential future innovations in respect of problem-solving, decision-making and proper planning of the use of forensic vetting as an employment fraud investigation method, increase people's knowledge and understanding of the forensic vetting practice, and also to devise a method for the resolution of problems and the application of corrective measures by means of alternative strategies. A second purpose was to significantly contribute to the empowerment of management, the forensic investigators and other departments in the public and private sectors who are involved the following disciplines:

Forensic Investigations

Minimum Information Security Standard

Intelligence Services

Auditing Firms

South African Police Services,

JMPD Internal Affairs

South African Defence Force Services and

National Intelligence Agency.

It is in the best interests of government institutions to apply forensic vetting investigations to eliminate the risk of financial losses, reputational damages, threats and vulnerabilities that may arise as a result of employment fraud.

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Public Servants Association SMD Mamabolo and Kirstein labour court case number JR 746/09

State versus Nkabinde (1998 (8) BCLR 996),

CoJ Employee Code of Conduct

National Strategic Intelligence Act

General Intelligence Law Act 11 of 2011

ANNEXURE 1: INTERVIEW SCHEDULE

VETTING AS A TECHNIQUE TO INVESTIGATE EMPLOYMENT FRAUD AT CITY OF JOHANNESBURG

Dear participant

You are invited to participate and contribute your knowledge by answering questions related to the above research topic to the researcher. Your contribution and the outcome of the research will have classified as confidential document and your identity will not be publicized

SECTION A

BIOGRAPHICAL INFORMATION

Answer the following question with Yes or No

1. Gender

Male		Female	
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2. Nationality

South African		Non South African	
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3. Home language

Tswana		Sotho		English	
--------	--	-------	--	---------	--

4. Age

-23-35		35-45	
--------	--	-------	--

5. Marital Status

Married		Single		Divorced	
---------	--	--------	--	----------	--

6. Academic Qualifications

Grade 12		National Certificate		Diploma	
Degree		Post Graduate		Masters	

7. Work Profile

Auditor		Police Officer		Forensic Investigator	
---------	--	----------------	--	-----------------------	--

8. Company Category

Group Forensic		Law Firm	
----------------	--	----------	--

9. Years of Experience

3-5		5-10		10-20	
-----	--	------	--	-------	--

10. Your Specific Militant Training

Intelligence		State Security Agency		South African Police Services	
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11. Do you have any Investigation Course?

Security and Investigation Strategic Advisory		Resolving of Crime	
Defence Investigation		Auditing	
Fraud and Corruption Investigation		Mining Investigation	
Aviation Investigation		Criminal Justice	

12. Have you received any international training such as?

ACFE		CIA	
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SECTION B

2. VETTING

- 2.1 What is a vetting technique?
- 2.2 What is a mandate of vetting in forensic investigation?
- 2.3 How to Design vetting process?
- 2.4 What are the critical steps during vetting process?
- 2.5 What are levels of vetting?
- 2.6 What is a legal mandate during vetting?
- 2.7 Can you explain what a polygraph test is during vetting process?
- 2.8 What are the objectives of polygraph test during vetting?
- 2.9 What are sources of information during vetting?
- 2.10 What is pre-screening of candidates?
- 2.11. How do you apply vetting to identify employment fraud?

EMPLOYMENT FRAUD

- 2.12 What is employment fraud?
- 2.13 What is fraud?
- 2.14 Can you explain types of fraud?
- 2.15. How does fraud manifest?
- 2.16 What is the importance of conducting forensic vetting as employment fraud technique?
- 2.17 What is the purpose and objectives of vetting investigation?
- 2.18 How forensic vetting is conducted as a method to investigate employment fraud?
- 2.19 What is the role of vetting investigation?
- 2.20 What is the purpose of examining fraudulent information that has been identified?

- 2.21 What are the objectives of evaluating vetting information to identify risk?
- 2.22 What is the value of vetting information to determine security threat?
- 2.23 How to analyse vulnerability based on vetting information?
- 2.24 What is the purpose of evaluating risk, threat and vulnerability during forensic vetting?
- 2.25 What is the advantages of vetting?
- 2.26 What is the disadvantages of vetting?

DUE DILLIGENCE

- 2.27 Can you introduce due diligence as an element of vetting during forensic investigation?
- 2.28 How do you conduct due diligence on prospective service providers?
- 2.29 What is the purpose of due diligence during forensic vetting investigation?
- 2.30 What are types of due diligence?
- 2.31 What is financial statement?
- 2.32 What are types of financial statement?
- 2.33 What is a lifestyle audit?
- 2.34 How can a lifestyle audit identify fraud by employees?
- 2.35 How do you notice red flag indicators of employment fraud during lifestyle audit?
- 2.36 What are legal consideration during lifestyle audit?
- 2.37 How to apply net worth during lifestyle audit?
- 2.38 How do you identify financial statement fraud during lifestyle audit?
- 2.39 Can you explain profiling as an element of due diligence during vetting investigation?
- 2.40 What is a purpose of profiling?
- 2.41 What are types of profiling?
- 2.42 What are the sources of profiling?

Thanks very much for your cooperation and contribution on the study

ANNEXURE 2: EDITOR'S DECLARATION

TO WHOM IT MAY CONCERN

10 January 2020

I, Naómi AC Schulze, an independent language practitioner, hereby declare that I was requested to carry out the language editing in respect of a dissertation written by Mr A Mahalefa (student number **36966797**).

The title of the document is VETTING AS A TECHNIQUE TO INVESTIGATE EMPLOYMENT FRAUD IN THE CITY OF JOHANNESBURG, and it is submitted in partial fulfilment of the requirements for the degree of MAGISTER TECHNOLOGIAE at the School of Criminal Justice at Unisa

I duly completed the task and the document, with its 'Track Changes', was returned to Mr Mahalefa via e-mail. I take no responsibility for any alterations and/or errors that were introduced to the document after I returned it to the author. The latter will make arrangements to have the document formatted by a professional typist

Thank you

(Mrs) NAC Schulze

PO Box 14694

0140 LYTTELTON

Telephone: 012 664 2265

ANNEXURE 3: ETHICS



UNISA CLAW ETHICS REVIEW COMMITTEE

Date 20180831

Reference: ST79 of 2018

Dear Mr Mahalefa

Applicant: AS Mahalefa

Decision: ETHICS APPROVAL

FROM 31 AUGUST 2018 TO 30 AUGUST 2021

Researcher(s): Andries Sebetlela Mahalefa

Supervisor(s): Mr RJ Mokwena

Vetting as a technique to investigate employment fraud at City of Johannesburg

Qualification: MTech

Thank you for the application for research ethics clearance by the Unisa CLAW Ethics Review Committee for the above mentioned research. Ethics approval is granted for 3 years.

The low risk application was reviewed by the CLAW Ethics Review Committee on 31 August 2018 in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment. The decision was ratified by the committee.

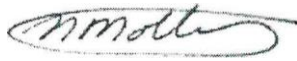
The proposed research may now commence with the provisions that:

1. The researcher will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
2. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the CLAW Committee.
3. The researcher will conduct the study according to the methods and procedures set out in the approved application.
4. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing, accompanied by a progress report.
5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003.
6. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data requires additional ethics clearance.
7. No field work activities may continue after the expiry date of 30 August 2021. Submission of a completed research ethics progress report will constitute an application for renewal of Ethics Research Committee approval.

Note:

The reference number ST79 of 2018 should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.

Yours sincerely,



PROF N MOLLEMA

Chair of CLAW ERC

E-mail: mollena@unisa.ac.za

Tel: (012) 429-8384



PROF CI TSHOOSE

Executive Dean: CLAW

E-mail: tshooci@unisa.ac.za

Tel: (012) 429-2005

ANNEXURE 4: PERMISSION LETTER



a world class African city

City of Johannesburg

Group Forensic and Investigation Service

Sappi Building
48 Ameshoff Street
Braamfontein
Johannesburg

PO Box 30757 Tel +27(0) 11 049 7563
Braamfontein Fax +27(0) 11 339 3473
South Africa
2017 www.joburg.org.za

TEMPLATE PERMISSION LETTER

FROM

Mr Andries Mahalefa

Assistant Director: Group

Forensic and Investigation Services

Request for permission to conduct research at City of Johannesburg Municipality under Group Forensic and Investigation Services.

VETTING AS A TECHNIQUE TO INVESTIGATE EMPLOYMENT FRAUD IN CITY OF JOHANNESBURG.

2018/07/18

General Shadrack Sibiya

48 Ameshoff Street Braamfontein

City of Joburg Group Forensic and Investigation Service

ShadrackS@joburg.org.za

Dear General Shadrack Sibiya

I am Andries Mahalefa and I am conducting research with Dr John Rakgetse Mokwena, a Senior Lecture in the Department of Police Practice towards my Master's Degree in School of Criminal Justice (Forensic Investigation) at the University of South Africa. We are inviting and requesting your staff to participate in a study entitled Vetting as a technique to investigate employment fraud / Occupational Crimes) in City of Joburg. The research questions will be paused in a form of questionnaire

- The aim of the study is to evaluate forensic vetting as a technique to investigation employment fraud (Occupational Crimes) in City of Johannesburg.

The researcher (Andries Mahalefa) is currently employed by CoJ Group Forensic and Investigation Service hence your Department has been selected.

THE AIM OF THE STUDY:

The study proposes to evaluate forensic vetting as a technique to investigate employment fraud (Occupational Crimes) in the City of Johannesburg Municipality. The researcher is of the view that forensic vetting is reactive and proactive, it can be used by the investigators to detect, investigate and prevent the employment fraud before it occurs.

THE BENEFITS

The researcher is embarking on the research for the following reasons:

- Build the ground work for potential future innovation for problem solving, decision making and proper planning of the use of forensic vetting as fraud investigation method in CoJ.
- Increase the knowledge and understanding of forensic vetting practice.
- Application of corrective measures through alternative strategies.
- Serve as a guide in the academic world, such as University of South Africa, University of Pretoria University of Cape Town, and Training Academics such as Police Department, SANDF, Correctional Services, Johannesburg Metro Police Department, and Security Risk Management especially in the field of Research, Planning and Development as well as in the recruitment agencies.

Should UNISA Research Committee found this study to be viable, it will be loaded on MyUnisa programme and will be used by the students enrolled in the College of Law and

Criminal Justice, this study will specifically help the students to obtain the knowledge in the concepts of forensic vetting

This research will assist the private entities and public sectors to conduct forensic vetting as fraud investigation method during investigation of employment fraud and avoid the risk of suffering potential, preudicial and reputational loss.

The City of Joburg Human resource Department, GFIS, JMPD, Supply Chain Management, Merchants payment, Finance, Health, Revenue and Public Safety, Social services, City of Tshwane, Mogale City, City of Ekurhuleni, Dr JS Moroka, Feta Kgomo, Belabela, and other municipalities SAPS, SANDF and Private Security Companies will benefit from this research because it will provide proper advanced technologies on how to use forensic vetting step by step to investigate employment fraud (Occupational Crimes)

POTENTIAL RISKS

The researcher have received over 5000 allegations from the hotline, whistle-blower, CoJ management requests, walk-ins and emails relating to employment fraud (occupational Crimes)

Feedback procedure will entail the outcome of the study, findings and recommendations

Yours sincerely

~~cerely~~

A handwritten signature in black ink, appearing to read 'Shadrack Sibiya', written over a horizontal dotted line. The signature is stylized with many loops and crosses.

Signature

General Shadrack Sibiya

Group forensic and Investigation Service (GFIS)

ANNEXURE 5: INFORMED CONSENT FORM

Vetting as a technique to investigate employment fraud at City of Johannesburg

Thanks very much for your interest participation and contribution in this research

The aim of the study is to evaluate forensic vetting as a technique to investigation employment fraud in City of Johannesburg.

The purpose of the study is to:

Evaluate the forensic vetting objectives that will significantly contribute to the empowerment of the management, forensic Investigators and other departments in the public and private sectors, who are involved in the field of Forensic Investigations, Minimum Information Security Standard, Intelligence Services, Audit Firms, South African Police Services, JMPD Internal Affairs, South African Defence Force Services and National Intelligence Agency.

- The researcher intends to evaluate the current procedures which are used in the process of forensic vetting as employment fraud investigation method in CoJ.
- The researcher intends to establish the challenges and weak points encountered by the CoJ Forensic Investigators, MISS, Auditors, Risk Officers, Compliance officers that are involved with forensic vetting concept.
- The researcher will describe the sequential event or procedure of application of forensic vetting as employment fraud investigation method in CoJ.
- The researcher will explain the negative and positive impact in applying forensic vetting as fraud investigation method in CoJ.
- The researcher intends to generate and improve the results and models that are clear and experientially reliable for both private and independent people that are working and studying in the field of forensic investigation, Auditing, MISS, and Security Studies.
- The researcher will engage in action partaking and collaborate the information obtained and build it into a format that will constitute constructive base which will then be evaluated and be used by other researcher as reference for their own research studies.
- Contribution of knowledge and ideas at seminars and conferences which the researcher believe and trust that it will be proactive, reactive and detect employment fraud (occupational fraud) at large.

The research will underwrite the following assistances:

- The researcher is embarking on the research to build the ground work for potential future innovation for problem solving, decision making and proper planning of the use of forensic vetting as fraud investigation method in CoJ.
- The research will increase the knowledge and understanding of forensic vetting practice and it will also devise a method for the resolution of problems and the application of corrective measures through alternative strategies.
- The research will serve as a guide in the academic world, such as University of South Africa, University of Pretoria, University of Cape Town, and Training Academics such as Police Department, SANDF, Correctional Services, Johannesburg Metro Police Department, Tshwane Metro Police, Ekurhuleni Metro Police and Security Risk Management especially in the field of Research, Planning and Development and other recruiting agencies.
- Should UNISA Research Committee found this study to be viable, it will be loaded on MyUnisa programme and will be used by the students enrolled in the College of Law and Criminal Justice, this study will specifically help the students to obtain the knowledge in the concepts of forensic vetting
- This research will assist the private entities and public sectors to conduct forensic vetting as fraud investigation method during investigation of fraudulent appointments and avoid the risk of suffering potential, preudcial and reputational loss.
- The City of Joburg Human Resource Departments, JMPD, Supply Chain Management, SAPS, Merchants payment, Finance, Health, Revenue and Public Safety, Social services, City of Tshwane, Mogale City, City of Ekurhuleni, Dr JS Moroka, Feta Kgomo, Belabela, and other municipalities will benefit from this research because it will provide proper advanced technologies on how to use forensic vetting step by step as employment fraud investigation method.

PARTICIPANTS SELECTION

The researcher will conduct interviews within his working environment at City of Joburg Group Forensic and Investigation Services. The participants are selected within the fraternity of forensic investigation and it is thoughtful or an ideal to involve them so that the researcher could gather more facts.

The number of participants is 15 and they are within the researcher 's work space. The confidentiality and the anonymity were guaranteed.

The population target for this research are the forensic managers and as well as investigators of City of Joburg Municipality Group Forensic and Investigation Service (GFIS)

The collection data will be supported for this research will be supported by the following:

- ❖ Literature
- ❖ Questionnaires
- ❖ Interviews

Please take into cognisance that you are not forced to participate in this study and also note that there won't be any monetary remuneration towards answering research questions.

The researcher will conduct interviews at your selected private space and your therefore will be respected. The electronic interview equipment's will be used during the interview. If you are not comfortable with them the researcher will understand. The recording will be used as a future innovation in the academic arena as well as an investigative technique in the field of Public safety, Policing, SANDF, JMPD, SSA and Municipalities at large

The researcher is steered by UNISA research ethics policy which push the researcher to always adhere the regulations that are set by the research committee. If there is any deviation relating to the ethics, the researcher will be discipline accordingly.

If there is any follow up you wish to conduct don't hesitate to contact Mr A Mahalefa on 0815725536 / 0797558908 or andriesma@joburg.org.za.

I certify that I agree to participate in this study

Signature

Date