



tel: +27 (12) 432 1300
info Centre: 086 00 65383
web: www.nlcsa.org.za

NATIONAL LOTTERIES COMMISSION
a member of **the dti** group

National Lotteries Commission (NLC)
P O Box 1556
Brooklyn Square 0083, Pretoria

TO: MR BRIAN MOKOENA
Per email: mokoena_brian@yahoo.com

MR ARTHUR MAFOKATE
Chairperson
The South African Arts and Development Association (SAADA)
Per email: chairperson@saada.org.za or arthur@99music.co.za

15 January 2020

Dear Mr Mokoena

RE: COMPLAINT LODGED AGAINST THE SOUTH AFRICAN ARTS AND DEVELOPMENT ASSOCIATION (SAADA)

1. The above bears reference herein.
2. On or about the 04th of July 2019 the National Lotteries Commission (NLC) commissioned an investigation into the allegations, by yourself, that Mr Arthur Mafokate utilised the funds allocated by the NLC to purchase a guest house and that Mr Mofokate had misused funds and assets belonging to SAADA for his personal gain.

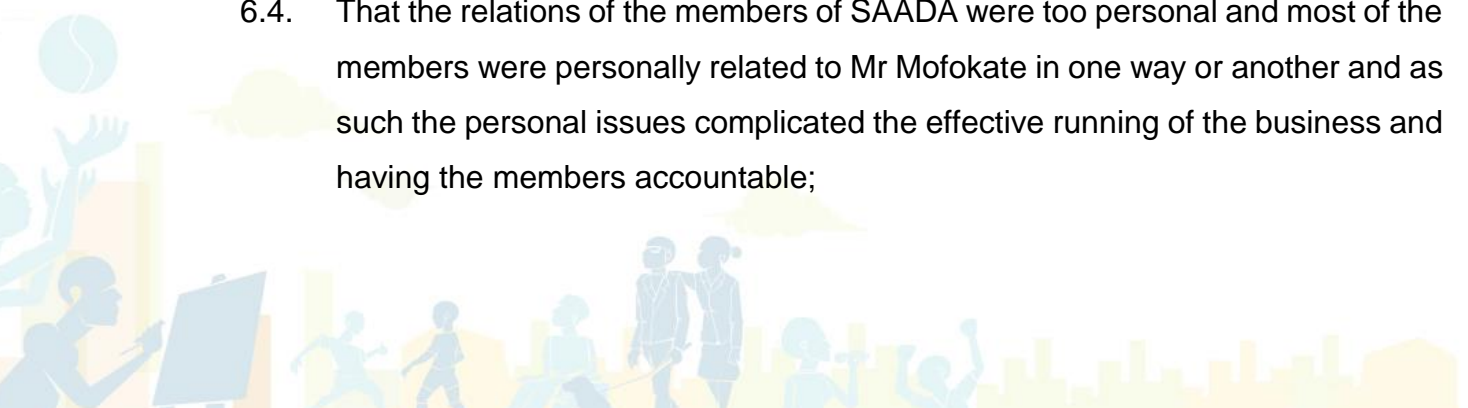


CHANGING LIVES

Board Members: Ms A. Brown (Minister's Representative) Ms. DLT Dondur Mr. YN Gordhan Adv. WE Huma
Ms TS Kekana Dr MA Madzivhandila Prof NA Nevhutanda (Chairperson) Ms Nompumelelo Nene (Company Secretary)

Established in terms of the Lotteries Act 57 of 1997, as amended

3. Furthermore, you made allegations against the Accountant of SAADA, Mr Kevin Naidoo, alleging that he had manipulated the financial statements of SAADA in collusion with Mr Mofokate.
4. The investigation was conducted by Malebye Motaung Mtembu Inc, an Attorneys firm, which on multiple occasions have consulted with you in conducting the investigation into the said allegations.
5. The investigators interviewed several individuals, whose identities cannot be disclosed, who served on various positions at SAADA to establish the veracity of the allegations as well as to attempt to corroborate your version of events.
6. Having concluded the investigation it was found that:
 - 6.1. There was a conflict of interest in the appointment of one of the companies owned by Mr Mofokate to do business with SAADA as he was the Chairperson of the SAADA Board *albeit* it was a strategic decision from all the members of the SAADA Board at the time, which you were part of;
 - 6.2. That there was a disregard of proper corporate governance at SAADA as there were no minutes taken at all the meetings which would corroborate the assertions of the decisions taken at the said meetings, it was established that you were the Secretary General of at the time;
 - 6.3. That the payment of the alleged R 6 000 000 .00 (six million rand) was unlikely as the NLC tranche payments of the grant allocated to SAADA were less than R6 000 000.00 and no such payment could be traced on SAADA's bank statements which were made available by SAADA.
 - 6.4. That the relations of the members of SAADA were too personal and most of the members were personally related to Mr Mofokate in one way or another and as such the personal issues complicated the effective running of the business and having the members accountable;



6.5. That the NLC was at all material times furnished with a progress report by SAADA detailing and accounting for all the monies allocated to SAADA in terms of the Grant Agreement and that Mr Mofokate has delivered the funded project satisfactorily as the NLC accepted the Progress reports and had released the second tranche as per the suspensive condition set out in the Grant Agreement.

7. We hope the above is in order.

Yours faithfully



Mr Tsietsi Maselwa

Executive Manager: Legal

