



**OPEN LETTER** to newly appointed Minister of Trade, industry & Competition

Honourable Parks Tau

**HIGH PRIORITY!!!**

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**UNITED CIVIL SOCIETY IN ACTION (UCSA) WELCOMES YOU HONOURABLE MINISTER AND MP CDE PARKS TAU AND REQUESTS AN URGENT AUDIENCE WITH YOU ON THE NLC & DTIC**

Dear Honourable Minister Parks Tau,

First and foremost we hereby would like to congratulate you on your appointment as our Minister of Trade, industry and Competition. As a progressive Civil Society representative we welcome you with warm and open arms and wish you everything of the best in your leadership albeit we believe the will of our people were ignored in the recent polls we need to engage with you nevertheless because it is what it is.

**About UCSA**

**United Civil Society in Action (UCSA)** is a Radical Civil Society Federation registered under companies Act 71 of 2008 as a Non Profit Company (NPC). UCSA's main purpose is to serve as a countervailing force to those who are intent on undermining our civil liberties and constitution. **UCSA** does this by mobilizing sectors, organizations and individuals to fight against any form of social injustice, corruption and the erosion of our democracy, and to restore pride and dignity in our people, particularly BLACK.

**UCSA** also ensures that it implement this through Lobbying, Capacity Building, Research and Development activities with its partners and development associates.

**Representation:** **UCSA** provides a mouthpiece for groups, interests & Civil Structures that are not adequately represented through political parties. This occurs, in part, because groups are concerned with the specific rather than the general.

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We would like to register our high hopes and expectations in your leadership Honourable Minister Tau, and that unlike your predecessor who felt easily threatened and intimidated by our robust engagements, we hope things will be different this time around. Knowing your style of open door policy, we are optimistic that we are likely to enjoy your attention and matured interactions on matters affecting our beloved civil society sector.

We remain committed to a Radical transformation agenda of the Black marginalized Civil Society sector, albeit guided the principles and values of openness, transparency, accountability, honesty mutual respect without fear and/or favour.

Our engagement with you shall be broken down but NOT limited into the following seven (7) very important segments i.e.

- the urgent imminent operator license awarding
- Draconian illegal frozen Beneficiaries Bank Accounts
- Failure to pay grants after contracting
- NLC Reserve Funds, The Solidarity fund for Covid and the R300 Million sent to Treasury
- Raymond Joseph of Ground up benefitting thru many companies
- The Abuse of SIU by NLC
- the funding, service providers and Management matters
- DTIC entities

### **1. The imminent operator license awarding**

- (a) In terms of the National Lotteries Commission Act, what is the progress of the 4<sup>th</sup> National Lotteries License process?
- (b) Given the litigious nature of awarding of the National Lottery operator, we require assurance that the current Board required to adjudicate and advise the Minister on the award of the Operator is duly appointed and that their appointment and decisions related to the award process will not compromise the process.

Therefore the following information is duly requested:

- a detailed process of appointment including advertisement,
  - long and short lists of candidates,
  - interviewing panel
  - and dates when interviews were conducted ,
  - Probity checks to be included in the response please.
- (c) How related are the current board members to the dtic?
  - (d) If any relations do exist by any chance, were independence test conducted at all?
  - (e) Why is Civil Society constantly and continually ignored and/ or marginalized
  - (f) We request copies of the NLC, NLDTF as well as the NLPT.
  - (g) We request AGSA Reports as well as Management Letters for the last five (5) years.
  - (h) The previous Board had already completed the RFP for the next license operator when the new Board took over.
- Did you or did you not begin the whole RFP process from the beginning?
  - If you did why?
  - Did you use the same service providers who were contracted by the previous Board or did you procure new ones? And Why?

- What was the cost incurred as a result?
  - What were the reasons for the previous Minister's delaying the process of the RFP? And what were the cost implications of that?
  - How much of Civil Society participation is entrenched in the current bid
- (i) We were reliably informed that the State intends TAKING OVER the running and full OPERATION of the National Lotteries after this upcoming term has come to an end,
- is that true and why?
  - Given the many dismal failures by the so called democratic government don't you think it's important to consult the South African lottery playing/betting public on this?
  - What guarantees us the public that you will NOT run this down like many other government run projects?

## 1.1 RED FLAG

### Ms.Lael Bethlehem

- Is/was a Chief investment Officer of **HCI**
- **HCI** are bidding for the license
- She is a partner at **Genesis Analytics**
- And **Genesis** are the advisory firm that both the NLC Board and the Minister procured for the National Lottery licence tender.
- One plus one =2 and two plus two is four, wu 6no9 Kuyafana Lana.

## 2. Draconian illegal 'freezing' Beneficiaries Bank Accounts

Before your appointment Honourable Minister, the NLC embarked on a draconian silent illegal policy of unilaterally freezing various beneficiaries' accounts without notice with an excuse of fighting against 'corruption'. This illegal and evil act has seriously compromised and disadvantaged many beneficiaries to point of many of them collapsing.

The question we have asked the NLC when we had a meeting with the dictatorial Chairperson Prof Pityana whom we thought at that time, was honourable but has since proven to us beyond any reasonable doubt that he is not a man of integrity. That question we put to him was how do you fight corruption by being corrupt yourselves as the NLC? An illegal draconian act that decimates Black disadvantaged Civil Society Community based organizations is evil and corrupt in itself. Communication came only after the fact when these organizations were enquiring about the reasons for this malicious act, and they were told that some of them were 'flagged' for investigation by the SIU. What has happened since those accounts were frozen Honourable Minister is NOTHING, absolutely NOTHING, and many of these organizations are still waiting for these so –called 'investigations' to this day, some for over a year now, which is nothing but a witch hunt and bullying tactic to 'kill' Black Civil society organizations.

There has been and still exists an intimidation strategy by the current NLC illegal Board and management against Black Civil Society, Black professionals and Black people in general. Corruption in the NLC seems to have a black face because everything they say is corrupt is by black people which is NOT true. Their 'corruption' goes further to even have 'a creative' face wherein for the purpose of trending in social and mainstream media, they target Black Creatives/Artists due to a following they enjoy so that the SIU and NLC can look good in public eye that they are doing something in fighting

‘corruption’ while intentionally and conveniently excluding funded projects by white people, groundups’ Raymond Joseph and prominent politicians.

Honourable Minister we support every fair lawful action that will help rid our country of corruption but we will NOT be silent when there is clear and blatant discrimination in the process. We do not fear the adversaries of the marginalized people of our country and we therefore DEMAND that the NLC unfreeze all frozen beneficiaries accounts with immediate effect.

### **3. Failure to pay grants after contracting**

The NLC has in many instances failed to pay beneficiaries on time after agreements had been signed and this is illegal, and a blatant violation of people’s rights. In other instances Payments were delayed and done at the leisure and convenience of the NLC after much intimidation from the latter, wherein organizations directors and staff would be instructed to come sign some stupid affidavits in the ‘ name of fighting corruption’.

### **4. NLC Reserve Funds, the Solidarity Fund and the R300 Million sent to Treasury**

The NLC has traditionally made sure it always had reserved funds of close to about R2 billion in order to mitigate against any unforeseen eventuality such as the fraudulent self-made the coronavirus back in 2020 pandemic by the WHO, and/or to cover any potential costs or financial obligations especially those that occur unexpectedly.

In a much publicised article written back on 23 May 2022 Mmusi Maimane the now President of BOSA asked the right questions why former Minister Patel never recused himself in the awarding of R50 million towards the solidary fund since he was conflicted as he sat on both sides. We are yet to receive any satisfactory response to this when Black Civil Society organizations were suffering during the fraudulent covid announced by the WHO and supported by Genocidal Presidents and Prime Ministers across the world accompanied by illegal lockdowns and deadly vaccines that killed millions of innocent people.

Questions:

- How much is left in our Reserve Funds?
- Please provide us with the Report and accounting for the **R50 million** Solidarity contribution by the NLC

When we met with your Chairperson of the NLC we asked him about the alleged **R300 million** the NLC paid to treasury, and whether there was any truth to such allegations. The Chair admitted to the allegations and failed to give sound reasons why that was done. Honourable Minister please remember that the funds that are distributed by the NLC DO NOT come from treasury, nor does any government department including DTIC provide any funds for us. These funds are generated pre-dominantly from the poor majority Black people with the hope of becoming millionaires through playing the lottery.

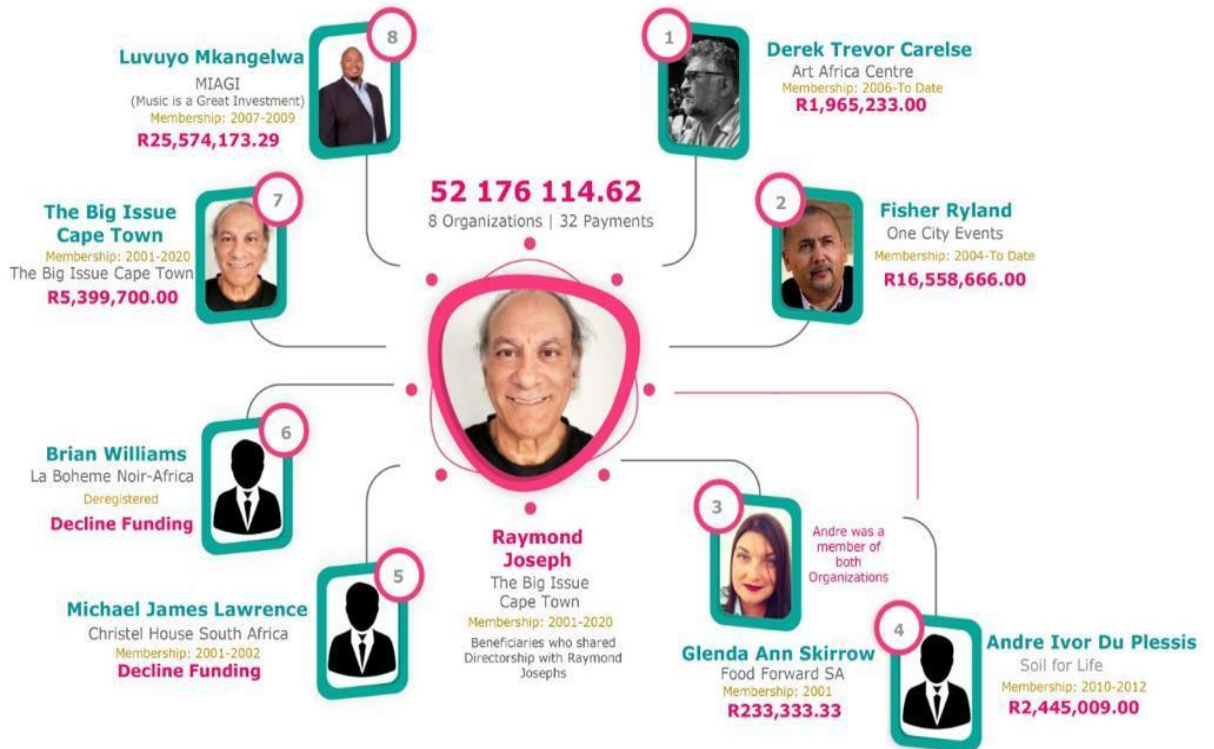
### **5. Raymond Joseph of ground up Cape Town based media Conflict of interest & corruption**

Honourable Minister below is a diagram that paints a grim picture of the ‘darling’ and self-appointed ambassador of the NLC and your department the dtic before your tenure. Unfortunately for you too he is still continuing even to be a self – appointed spokesperson of your Ministry of Trade industry and Competition to an extent that we in the Civil Society circles have come to know him ‘**Shawshwi wa Lotto**’.

In our last meeting with your Chairperson of the NLC board we asked him a very specific question about this man who is NOT even a legit journalist because all he has done over the years, was to act criminally in violation of the National Lotteries Act by stealing Beneficiaries

private information and recycling it in his repeated stories thereby endangering people's lives and exposing them to criminal syndicates.

This specific question we asked of the Chair was what special relationship or contract does the NLC have with Raymond Joseph? Professor Pityana denied any existence of a special relationship except to say that Raymond wanted to do 'a Mashele Brutus Mashaba' on him which he said he declined which has now become dubious since they often do interviews together in the media about NLC matters, and a case in point is an interview they did on Radio 702 about the Lottery bidding process and License.



Honourable Minister based on the above seemingly alleged 'web of perpetual benefitting' through 'multi - dipping' we call upon you to please order an independent investigation into all those above projects funded by the NLC and publish the report outcomes in favour of transparency as a matter of urgency.

## 6. The Abuse of SIU by NLC

Honourable Minister the NLC is abusing the SIU and in that abuse the SIU is the biggest winner while we as Civil Society unfortunately have become the BIGGEST losers. The NLC is spending the bulk of our funds that are meant for grant funding for community based organizations on the SIU. We suspect that the NLC to date probably spent not less than **R100 million** paying the SIU for various investigations that we are yet to see the results of and justify such spend. Honourable Minister if this is not criminal and corrupt behaviour then we don't know what is. The SIU has become a 'scare crow' of the NLC to silence any voice that opposes NLC shenanigans, as soon as you exercise your freedom of speech they do the digging on you and your projects with Raymond Joseph try make some dirt stick on you, by Re-Publishing old stories about having received some funding as if that was a crime.

We implore you Honourable Minister to do the following:

- Release the NLC report on SIU spend to date, and how much has been budgeted for
- Is the NLC/SIU spend worth it, with the output we have thus far to justify this?

- How many successful prosecutions have come out of these investigations,
- Has the NLC become a cash cow ?
- We duly request a full report on the above.

## **7. The funding, service providers and Management matters & DTIC entities**

(a) The Lotteries Act and the Regulations refer to full-time Distributing Agencies, how many DA's are full-time at NLC since April 2022 and kindly please provide us appointment dates.

(b) Has the Minister discharged his executive obligation in accordance with the Lotteries Act in so far as appointment of DA's? If not, why not?

(c) What is (a) the total number of applications received per province, per sector in the past five years?

(d) How many grantees/beneficiaries we funded in the past 5 years including the amounts and their names?

(e) What is (a) total number of grantees/beneficiaries that were funded through research based funding in the past five financial years?

(f) How many grantees/beneficiaries were funded in the past five financial years including the amounts and their names?

(g) What Are?

- the names of legal firms and Counsel that were briefed or allocated work by all 17 entities and the department in the past five financial years?
- How much was allocated to each firm per financial year?
- what is the breakdown of each firm's allocation including the description of services rendered per each allocation?
- what is the process followed in appointing those firms, the answer should include the tender number, number of firms that applied and total number of firms appointed?
- Was any of the appointment of the firms declared as irregular by either Internal Investigations, Internal Audit or Office of the AGSA?
- If yes, (i) what actions were taken against those who caused the organization to incur irregular expenditure? (ii) Was that firm utilized by all entities after being declared irregular? (iii) If yes what are the reasons and actions are being taken?

(h) What are?

- The names of consultants that were appointed in the last five financial years by entities and the department?
- How much was paid to each consultant including the breakdown and description of service rendered? What processes were followed in appointing each consultant?
- What is the status of appointment of Board members of each of the 17 entities reporting to the Minister where Board vacancies have remained vacant for extended periods?
- We request the Minister to make available Audit outcomes and management reports of the respective entities including the departments for the past three financial years.

Yours in Radical Revolution



Tebogo Sithathu UCSA Chairperson

