

Lexis[®] SA Company

COMPANY REPORT

GROUNDUP NEWS
K2020/428260/08


AKR

GROUNDUP NEWS

K2020/428260/08

Company Information

Status	IN BUSINESS
Type	NON PROFIT COMPANY (SECTION 21)
Standard industrial classification	- (-)
Registration date	10/06/2020
Business start date	10/06/2020
Tax number	9012612298
Financial year end	FEBRUARY
Financial effective date	-
Old registration number	-
Short name	-
Translated name	-
Status changed date	-
Type date	10/06/2020
Principal business description	BUSINESS ACTIVITIES NOT RESTRICTED.
Physical address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
Postal address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
Region	-
Country	SOUTH AFRICA
Authorized shares	0
Authorized capital	-
Issued shares	-

AK-12/18

Issued capital

-

Director / Member Summary

NAME	ID/REG NUMBER	TYPE	STATUS
AUGUST, TYRONE RUSSEL	5912275103084	DIRECTOR	ACTIVE
QUINTAL, ANGELA MARIA	6803020145083	DIRECTOR	ACTIVE
CAMERON, EDWIN	5302155215085	DIRECTOR	ACTIVE
MALINGA, PHUMZILE PRUDENCE	8502100372082	DIRECTOR	ACTIVE
NTONGANA, THEMBELA	9208150900082	DIRECTOR	ACTIVE
MGWABA, RONALD PHILANI	6809085651089	DIRECTOR	ACTIVE
GEFFEN, NATHAN	7106205036088	DIRECTOR	ACTIVE

Active Directors / Members

AUGUST, TYRONE RUSSEL

ID/Passport number	5912275103084
Type	DIRECTOR
Status	ACTIVE
Date of birth	-
Appointment date	13/01/2022
Member size	0%
Member contribution	R0,00
Profession	-
Country of residence	SOUTH AFRICA
Residential address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
Postal address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700

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QUINTAL, ANGELA MARIA

ID/Passport number 6803020145083

Type DIRECTOR

Status ACTIVE

Date of birth 02/03/1968

Appointment date 10/06/2020

Member size 0%

Member contribution R0,00

Profession -

Country of residence SOUTH AFRICA

Residential address SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700

Postal address SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700

CAMERON, EDWIN

ID/Passport number 5302155215085

Type DIRECTOR

Status ACTIVE

Date of birth 15/02/1953

Appointment date 10/06/2020

Member size 0%

Member contribution R0,00

Profession -

Country of residence SOUTH AFRICA

Residential address SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700

Postal address SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700

MALINGA, PHUMZILE PRUDENCE

ID/Passport number 8502100372082

SAKME

Type	DIRECTOR
Status	ACTIVE
Date of birth	10/02/1985
Appointment date	13/01/2022
Member size	0%
Member contribution	R0,00
Profession	-
Country of residence	SOUTH AFRICA
Residential address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
Postal address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
NTONGANA, THEMBELA	
ID/Passport number	9208150900082
Type	DIRECTOR
Status	ACTIVE
Date of birth	15/08/1992
Appointment date	10/06/2020
Member size	0%
Member contribution	R0,00
Profession	-
Country of residence	SOUTH AFRICA
Residential address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
Postal address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
MGWABA, RONALD PHILANI	
ID/Passport number	6809085651089
Type	DIRECTOR
Status	ACTIVE
Date of birth	08/09/1968

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Appointment date	13/01/2022
Member size	0%
Member contribution	R0,00
Profession	-
Country of residence	SOUTH AFRICA
Residential address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
Postal address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
GEFFEN, NATHAN	
ID/Passport number	7106205036088
Type	DIRECTOR
Status	ACTIVE
Date of birth	20/06/1971
Appointment date	10/06/2020
Member size	0%
Member contribution	R0,00
Profession	-
Country of residence	SOUTH AFRICA
Residential address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
Postal address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700

Auditors

SAB AND T CHARTERED ACCOUNTANTS TRADING AS NEXIA SAB&T

Status	CURRENT
Type	AUDITOR
Profession	AUDITORS REGISTERED IN TERMS OF THE PROVISIONS OF THE AUDITING PROFESSION ACT, 2005
Profession number	921297
Start date	-

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End date	-
Expiry date	-
Registration entry date	-
Business address	-
Postal address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700
SOPHOCLES CHARALAMBOUS KLEOVOULOU	
Status	CURRENT
Type	AUDITOR
Profession	THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS
Profession number	921217
Start date	-
End date	-
Expiry date	-
Registration entry date	-
Business address	-
Postal address	SUITE 08 SOUTH BLOCK TANNERY PARK, 23A BELMONT ROAD, RONDEBOSCH, WESTERN CAPE, 7700

Capital Information

TYPE	NUMBER OF SHARES	PARRI VALUE	AMOUNT PER SHARE (R)	CAPITAL PREMIUM
AUTHORIZED ORDINARY	0	1	0	0

Company Change History

EFFECTIVE DATE	CHANGE TYPE	CHANGE DESCRIPTION
04/07/2025	CO/CC ANNUAL RETURN	COMPANY / CLOSE CORPORATION AR FILING - WEB SERVICES : REF NO. : 5438687760
19/06/2024	CO/CC ANNUAL RETURN	COMPANY / CLOSE CORPORATION AR FILING - WEB SERVICES : REF NO. : 5410532675

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29/06/2023	CO/CC ANNUAL RETURN	COMPANY / CLOSE CORPORATION AR FILING - WEB SERVICES : REF NO. : 5389607855
25/08/2022	AUDITOR/ACC OFFICER CHANGE	ADD RECORDNAME : = SOPHOCLES CHARALAMBOUS KLEOVOULOUSSTATUS : = CURRENT
25/08/2022	AUDITOR/ACC OFFICER CHANGE	ADD RECORDNAME : = SAB AND T CHARTERED ACCOUNTANTS TRADING AS NEXIA SAB&TSTATUS : = CURRENT
24/06/2022	CO/CC ANNUAL RETURN	COMPANY / CLOSE CORPORATION AR FILING - WEB SERVICES : REF NO. : 5368313170
15/06/2022	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER	DIRECTOR NATHAN GEFFEN - CHANGE WAS MADE.
15/06/2022	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER	DIRECTOR TYRONE RUSSEL AUGUST WAS ADDED
15/06/2022	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER	DIRECTOR RONALD PHILANI MGWABA WAS ADDED
15/06/2022	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER	DIRECTOR PHUMZILE PRUDENCE MALINGA WAS ADDED
15/06/2022	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER	DIRECTOR THEMBELA NTONGANA - CHANGE WAS MADE.
15/06/2022	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER	DIRECTOR ANGELA MARIA QUINTAL - CHANGE WAS MADE.
15/06/2022	DIRECTOR/MEMBER/SECRETARY/TRUST/BOTH DIRECTOR AND OFFICER	DIRECTOR EDWIN CAMERON - CHANGE WAS MADE.
10/06/2021	CO/CC ANNUAL RETURN	COMPANY / CLOSE CORPORATION AR FILING - WEB SERVICES : REF NO. : 5347672013

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Lottery corruption: SIU investigation hamstrung by red tape

Raymond Joseph, GroundUp
7–9 minutes

Application made 15 months ago for permission to investigate dodgy procurement deals.

-

Delays frustrate the recovery of funds ‘which can be hidden or dissipate quickly’ and result in the loss of evidence. Image: Steve Kretzmann/GroundUp

Almost 15 months after the Special Investigating Unit (SIU) applied for an amendment to the Presidential Proclamation authorising it to probe lottery corruption, the Department of Justice and Constitutional Development is yet to submit its recommendation to President Cyril Ramaphosa on whether to grant it.

The original October 2020 proclamation only allowed the Special Investigating Unit to investigate grants made by the National Lotteries Commission (NLC) between 1 January 2014 and 7 November 2020.

Read:

[Special Tribunal freezes luxury home of lottery ‘kingpin’](#)
[Auditor-General issues damning report on Lottery finances](#)

Since then, several independent audits commissioned by the NLC have also uncovered fraud, corruption, and extensive circumvention of “procurement processes” running into hundreds of millions of rand.

But the narrow terms of the original proclamation have left the SIU hamstrung and unable to investigate the NLC procurement and appointments of service providers. The NLC is also unable to investigate potentially fraudulent or corrupt grants that fall outside the window of the 2020 proclamation.

A backlog of applications for SIU proclamations built up over several years. For the past year or so, the speed at which proclamations have been granted has sped up. But the SIU’s NLC application, submitted in April last year, has been gathering dust.


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Red tape

An Institute for Security Studies (ISS) report on the future of the SIU, released last week, found that the proclamation process is mired in red tape. The resulting delays at the DOJCD “have sometimes amounted to several years”, according to the ISS.

“This has frustrated the recovery of funds, which can be hidden or dissipate quickly,” the ISS says. “In turn, this might delay the referral of cases to the NPA, resulting in the loss of evidence and slow down disciplinary processes for state employees”.

The ISS has recommended that SIU motivations for presidential proclamations should rather be handled by the Presidency.

Terrence Manase, spokesperson for the justice ministry, told GroundUp last week that the SIU’s NLC amendment application has not yet reached the minister’s office.

“The ministry acknowledges the seriousness of the matter and remains committed to ensuring that all allegations of corruption are addressed appropriately, within the confines of the law,” he said.

GroundUp reported in 2023 that the SIU was planning to ask for an extension of its mandate. It was submitted in April 2024.

Mashudu Netshikweta, who heads up the SIU’s team investigating the NLC, told Parliament in May that the application for an extension was submitted almost a year earlier in April 2024.

DOJCD spokesperson Kgalalelo Masibi told GroundUp that “the department is currently attending the request for an amendment”.

She said the DOJCD had “raised certain concerns with the SIU, which the SIU has since addressed. The department has completed its assessment of the request and will be advising the minister and the Presidency in due course”.

Millions in dodgy procurement deals await SIU

The findings of the independent investigations commissioned by the NLC’s new board and executive were key in formulating disciplinary charges against implicated staff, including NLC chief operating officer Phillemon Letwaba and former NLC company secretary Nompumelelo Nene.

Read:

Former NLC executive loses bid for access to his R1.7m pension

Lottery secretary resigns after pocketing R6m while suspended

Among the issues flagged in damning reports by the Auditor-General and the independent auditors were irregular expenditure on information technology and sky-high spending on lawyers. The NLC struggled to answer a written parliamentary question about its expenditure on legal fees, as key files with details of multimillion-rand litigation expenditure have vanished.



Another area of concern is the tens of millions of rand in spending on media and communications, with a disproportionate amount paid to the Sunday World newspaper.

Millions of rand in dodgy payments were also made to NLC service providers, including a nearly R500 000 payment to service provider Neo Consulting to investigate a computer hack that never happened.

Read: [Company made millions advising corruption-riddled lottery on ethics](#)

ProEthics, which advised the NLC on ethics when the organisation was overwhelmed by rampant corruption, was used to circumvent procurement processes. The NLC paid ProEthics over R28.4 million. The company, in turn, said it paid other service providers, which it had no part in appointing, on the NLC's instructions.

Bureaucracy not required by SIU Act

The ISS report says the SIU is “unnecessarily hampered” by delays in the administrative processing of presidential proclamations.

First, the SIU had to assess complaints it received “against the requirements of the SIU Act to determine whether it had jurisdiction”.

If the complaint met these criteria, the SIU must then “submit a motivation for a proclamation to the President via the DOJCD.

“A Directorate in the DOJCD again assesses the motivation to see whether it meets jurisdictional requirements and is feasible,” the ISS report found.

“If so, the Directorate sends it to the Director-General of the DOJCD, who may escalate it to the Deputy Minister, the Minister, and ultimately the President for approval.”

These delays “frustrate the purpose of the SIU Act, which is to provide for the swift recovery of state funds. The process of approvals by different DOJCD officials has evolved through a series of executive decisions and is not required by the SIU Act”.

SIU owed R1 billion

Since 2001, 300 Presidential proclamations have been issued, the ISS said. “Of these, 164 (55%) have been issued since 2018, during President Cyril Ramaphosa’s administration. In the 2024/25 financial year alone, 49 proclamations were issued. Five proclamations have been reported to date in the current year.”

The SIU gets its funding from two sources: a budget from the DOJCD, and it can also bill the institutions it investigates for the services provided and retain these funds.

But many of its clients, which are all state institutions, were not paying for the SIU’s services, as they are required to do.

As of March 2024, the SIU had a debt book exceeding R1 billion owed by 272 state institutions, the ISS found. This led to the SIU launching [Project Khokela](#) in October 2024, with letters of demand being issued to these institutions for prompt debt settlement.

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“Given the high number of new proclamations, the SIU is likely to face financial strain over the next 24 months. If unresolved, its financial reserves could be depleted in the foreseeable future.”

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New measures to prevent Lotto looting

By [GroundUp](#)

9 minute read

25 September 2023

07:54 pm

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The National Lotteries Commission briefed Parliament on the steps it is taking to clean up the organisation.


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The National Lotteries Commission, overwhelmed by fraud and corruption in recent years, has told Parliament it is taking extensive measures to stamp out graft. Archive photo: Ashraf Hendricks

The National Lotteries Commission (NLC), overwhelmed by fraud and corruption in recent years, has told Parliament it is taking extensive measures to stamp out graft.

The range of these steps, some quite basic, reveals the extent of the rot under the previous management.

The Special Investigating Unit (SIU) is currently investigating more than 700 dodgy projects involving over R2-billion, according to its spokesperson Kaizer Kganyago.

The SIU had seconded two of its staff to the NLC to assist with investigations into procurement, bolster capacity in the forensic investigations unit, and assist with the lifestyle audits of staff.

During the last financial year the NLC uncovered 53 fraud matters during forensic audits and reported these to SAPS, and uncovered a further 27 cases in the current year (commencing 1 April 2023), NLC chief audit executive Vincent Jones told the trade, industry and competition portfolio committee earlier this week.

Read more

Lotto and Lotto Plus results: Saturday, 3 January 2026

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This was during a report back to Parliament on the NLC's first-quarter performance.

ALSO READ: High Court rejects bid to derail National Lotteries Commission corruption probe

The NLC has formed a panel to review proactive funding, which was at the heart of the looting.

NLC Commissioner Jodi Scholtz told MPs that the NLC is working on an anti-corruption and fraud framework. The bulk of the risk, she said, is with grant funding.

"We've introduced a risk-based model and the inspectorate goes out and inspects each and every project against that model. This is a complete departure from the past, where we didn't do these pre-inspections, but now it is part and parcel of the entire process."

In a significant step to enhance the transparency in its funding of non-profit organisations, the NLC began publishing a monthly list of awarded grants. It is also considering publishing location details of funded projects to make it easier for activists and journalists to monitor them.

This is a far cry from the previous administration, which under the pretence of safeguarding the privacy of grant beneficiaries, stopped publishing details of grants in 2019 as *GroundUp* exposed more and more corruption.

The NLC eventually relented and started publishing grant details again after pressure from Parliament, the Department of Trade, Industry and Competition (DTIC), Minister Ebrahim Patel, and media exposure.

Dodgy procurement

Both the NLC and the SIU have identified problems with procurement that did not follow required Treasury processes, some of which were highlighted by the Auditor-General. In many cases, tenders were awarded to a single supplier rather than put to tender, as required by law.

Non-compliance with supply chain management (SCM) rules had resulted in numerous incidences of irregular expenditure in the organisation, NLC chief financial officer Tina Maharaj told MPs.

"SCM was decentralised so that there were certain divisions in the organisations that took over SCM processes and created panels for themselves, which was not in line with the legislation.

"As a result of that we have had to cancel a significant number of contracts and go back to market and recontract with suppliers," said Maharaj.

READ MORE: New Lottery boss promises huge clean-up

GroundUp exposed several examples of questionable procurement, such as advertising in *Sunday World*, which received about R24.7-million from the NLC.

The NLC falsely claimed that *Sunday World* had a unique readership and there was no reason to go to tender.

In another example, ProEthics billed the NLC more than R28-million for media monitoring and ethics-related "interventions" at a time when the NLC was overwhelmed with allegations of corruption, fraud and conflicts of interest.

A large, stylized handwritten signature, possibly 'Mf', is located in the bottom right corner. Below it, the initials 'AK-VR' are written in a smaller, more legible hand.

The NLC has now suspended the company's services and stopped payments, pending the outcome of an investigation.

The NLC has also cracked down on sky-high payments to lawyers. It suspended its panel of lawyers but has been unable to locate reports and documents relating to briefs and work done by many of them.

"Some of those reports were unfortunately swept under the carpet, so we are now looking at the recommendations to see where we can improve our internal processes," she said.

Reparations and whistleblowers

A reparations process to compensate whistleblowers previously threatened or dismissed has been approved by the NLC board, Scholtz said.

The NLC has partnered with The Whistleblower House, which is guiding it on the process of compensating whistleblowers who spoke out publicly about corruption in the organisation.

"There is an absolute commitment to do right in terms of what was done wrong," Scholtz said, adding that they planned to use a model based on one used by SARS to compensate staff who were hounded out during its period of state capture. She said the process would begin in October or November.

RELATED: SIU will ask Ramaphosa to extend lottery probe

"In terms of the reparations, we will look at it on a case-by-case basis so that we can consider each person's experiences and determine an appropriate response."

Regarding communities affected by corruption, "it's really heartbreaking to witness this level of destruction", she said.

She said the SIU has a list of 19 projects and has advertised to bring in a quantity surveyor to do a value-for-money exercise to see what it will cost to fix each project.

"Based on that, we will engage with those communities as part of the reparation."

Dodgy IT system

In a previous interview, Scholtz told *GroundUp* about serious issues with the IT system, which had enabled corruption.

"It was as if people sat around a boardroom table and planned how to corrupt and steal," she said.

Responding to questions from MPs, Scholtz said it was important to distinguish between a process and a system.

"There were a lot of things that the system didn't do," she said.

READ MORE: SIU granted order to freeze over R2M from lottery official and wife

For instance, ID numbers weren't captured. The absence of this and other relatively basic functions was "part of the broader system of corruption", Scholtz explained.

A handwritten signature, possibly 'Mp', is written in the bottom right corner. Below it, the initials 'AKVR' are written in a similar handwritten style.

“Unfortunately, the proactive funding was actually implemented and managed outside the [NLC’s] Fusion platform and that made it a deviation from processes,” chief information officer Mothibi Ramusi told MPs.

“So it wasn’t actually a technology issue, it was more a process that was implemented by the organisation.”

He said revised processes “will tighten our validation and verification with third parties within government, like the CIPC, Home Affairs, the Department of Education when it comes to IDs and names of associations and clubs that we fund”.

Lifestyle audits

The NLC has begun conducting integrity testing and lifestyle audits of NLC staff and board members.

“We have adopted a consequence and ethics management framework and the integrity testing process has begun,” Scholtz said.

However, at this stage it was voluntary.

“So far 96 staff members have participated and 21 have declined to participate. We are in the process of putting together an integrity testing and lifestyle audit policy.”

1. Minister’s priorities

Scholtz said Minister Patel, who has oversight of the Lottery, had given the NLC a list of priorities. These include:

- a complete implementation of all SIU findings;
- finalising investigations of all transactions involving consultants over the past ten years, including law firms, IT services and public relations services;
- initiating a wider investigation beyond proactively-funded projects, to include all contracts by the NLC and all channels through which payments were made by or on behalf of the NLC;
- initiate investigations into the activities of all the regional NLC offices; and
- review all previous forensic and internal reports and consider recommendations for systemic changes to avoid opportunities for corruption.

This article originally appeared on GroundUp and was republished with permission. Read the original article [here](#).

A handwritten signature in dark ink, followed by the initials 'AKVR' written in a similar style.

"NG 4"

04 May 2023

Share



Company made millions advising corruption-riddled Lottery on ethics

GroundUp
Raymond Joseph

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• ProEthics was paid millions of rands by the National Lotteries Commission (NLC) for ethics-related interventions at a time that the NLC was

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a new forensic panel that the NLC is currently setting up.

- ProEthics says its services were provided "ethically and professionally".
- For more financial news, go to the News24 Business front page.

A company that consults to government and big business on ethics billed the NLC more than R28 million for media monitoring and ethics-related "interventions" at a time when the NLC was overwhelmed with allegations of corruption, fraud and conflicts of interest.



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CURRENCIES	COMMODITIES	JSE INDEXES
Rand - Dollar	16.55	▲ +0.0%
Rand - Pound	22.27	▲ +0.2%
Rand - Euro	19.42	▲ +0.1%
Rand - Aus dollar	11.07	▼ -0.3%
Rand - Yen	0.11	▲ +0.4%
All JSE data delayed by at least 15 minutes		
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Of the payments to ProEthics between 2019 and 2022, almost R6.3 million was for "ethics interventions". At the time, the NLC was the subject of **damning revelations by GroundUp** about corruption.

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August 2022 and R1 053 366 in June 2021.

The NLC also paid over R600 000 to several companies to monitor reporting about the NLC in print, on radio and TV and on social media, and to monitor the performance of advertising and paid-for advertorials, according to an October 2022 **written reply** to Parliament's Trade, Industry and Competition portfolio committee. The information was supplied in response to a question by Democratic Alliance MP Mat Cuthbert requesting details of "NLC communications, media and marketing services contracts".

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Though the payments to ProEthics in 2021 and 2022 fall within the same time period as the payments revealed in Parliament, these payments are not included in the NLC's parliamentary response.

Just over a month after he was appointed acting NLC commissioner on 1 September 2022, Lionel October **instructed** company secretary **Nompumelelo Nene** to stop using ProEthics and to suspend any outstanding payments to the company. Nene is currently on suspension pending a disciplinary hearing, which is expected to begin soon. October was recently appointed to the NLC board.

In the memo, headed "Forensic investigation - ProEthics", October wrote:

Please be advised that all services and payments to the above service provider should be suspended until further notice.



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what is being planned. It has also been flagged by the Special Investigating Unit (SIU), which has **applied to President Cyril Ramaphosa** to extend its mandate to allow it to probe payments to NLC service providers as well as grants by the NLC.

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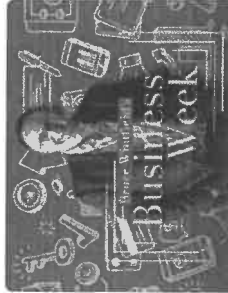
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ProEthics also attracted the attention of the Auditor-General (AG), which flagged at least one payment of R2 443 426 to ProEthics by the NLC, for failing to obtain three quotes as required by the National Treasury.

Responding to detailed questions, ProEthics founding director Janette Minnaar said she was unable to give details of the payments and the work done for the NLC because of a "confidentiality clause" they had signed.

"The SLA (service level agreement) between ProEthics and the NLC contained a confidentiality clause; all information regarding material, costs, and service providers should therefore be obtained directly from the NLC," she said in an email.

She said ProEthics "was placed on an NLC panel of service providers of the NLC following a proper tender process and an SLA was signed. Appointment on projects was done through a thorough RFQ (request for quote) process and all services were rendered ethically and professionally.

"In rendering our services, we aim to assist our clients to build a culture of integrity. Where the project required services outside our scope of expertise the NLC appointed service providers from their panel to assist in the particular project," Minnaar said.

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And, in a subsequent email, Minnaar added: "We again stress that our rights are reserved in toto."

NLC Commissioner Jodi Scholtz, without commenting specifically on ProEthics, said: "The NLC has received a draft report about some procurement irregularities and is studying that to determine the best course of action."

What ProEthics was paid for

GroundUp has seen a list of payments made to ProEthics between 2019 and 2022 totalling over R28.4 million. Besides the payments for media monitoring and "ethics interventions", ProEthics was also paid by the NLC for a variety of other services, including:

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- "Conflict of interest" and "conflict of interest vetting": almost R4.9 million;
- "Mental Health Day": over R2.9 million;
- "Ethics video": almost R1.1 million;
- "Ethics intervention: International Fraud Awareness Week": R2.4 million;
- "International Fraud Week - Virtual Conference": over R2.8 million;
- "Ethics Risk Assessment": R1.7 million; and
- "Ethics training": R35 850.

ProEthics states on its website that it is currently on the NLC's "Corporate Governance Panel for the NLC Ethics Office and Confidential". It has an extensive list

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Auditor-General, the Land Bank, the office of the Gauteng Premier, The Office of the Ombud for Financial Services Providers, The Public Investment Corporation, the Reserve Bank, Parliament and the Road Accident Fund. The company has also consulted on ethics, and provided ethics training, to a variety of blue chip companies and corporations.

Founded in 2014, ProEthics has **two directors**, Janette Minnaar and Simon van Heidsingen.

"At ProEthics, we strive to live up to the highest standards of ethical behaviour and professionalism," the company says on its website. "We will not compromise our core values of integrity, excellence and responsibility. We do what we say and we keep our promises. Our personal and corporate integrity are our key drivers to deliver excellent service."

It adds: "At ProEthics we promote professional ethics and business integrity. We empower our clients to fight dishonest business practices and prevent losses resulting from crime and irregularities, by promoting an ethical culture and responsible organisational governance.

"We are committed to combat economic crime and harmful business practices that could hurt the innocent, destroy profit and damage quality service delivery."

Minnaar addressed a **virtual conference on anti-corruption and integrity** organised by the Organisation for Economic Cooperation and Development (OECD) in 2021. The NLC was a key sponsor of the event and several of its executives featured on panels.

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which impact negatively on the organisation's operations."

Highlighting five main steps to apply in the fight against corruption, Minnaar said it was "crucial to understand how rogues can be dealt with when they get involved in illegal activities.

In fighting corruption, there should be prevention, detection, investigation, reporting and prosecution as key factors that can eradicate the rot that is consuming the country, she said.

"There is a duty on persons who hold a position of authority or who knew or ought reasonably to have known or suspected that any person has committed an offence in terms of the act or theft, fraud, extortion, forgery or uttering involving more than R100 000 to report it to the police," she said.

But far from reporting corruption, the previous executive and board of the NLC took extraordinary steps to hide it, hurling legal threats at GroundUp, members of its own staff who blew the whistle on corruption, and anyone they perceived as critical of the Commission.



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GROUNDUP

Ethics firm made millions advising corruption-riddled Lottery

‘Ethics interventions’ by ProEthics at NLC cost more than R6-million.



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By Raymond Joseph

4 May 2023



3

A company that consults to government and big business on ethics billed the NLC more than R28-million for media monitoring and ethics-related “interventions” at a time when the NLC was overwhelmed with allegations of corruption, fraud and conflicts of interest.

Of the payments to ProEthics between 2019 and 2022, almost R6.3-million was for “ethics interventions”. At the time, the NLC was the subject of damning revelations by *GroundUp* about corruption.

ProEthics was also paid over R1.74-million for “Ethics Media Monitoring” during the same period, consisting of payments of R364.192 in July 2022, R325,887 in August 2022 and R1,053,366 in June 2021.

The NLC also paid over R600,000 to several companies to monitor reporting about the NLC in print, on radio and TV and on social media, and to monitor the performance of advertising and paid-for advertorials, according to an October 2022 written reply to Parliament’s Trade, Industry and Competition portfolio committee. The information was supplied in response to a question by Democratic Alliance MP Mat Cuthbert requesting details of “NLC communications, media and marketing services contracts”.



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Though the payments to ProEthics in 2021 and 2022 fall within the same time period as the payments revealed in Parliament, these payments are not included in the NLC's parliamentary response.

Just over a month after he was appointed acting NLC commissioner on 1 September 2022, Lionel October, instructed company secretary Nompumelelo Nene to stop using ProEthics and to suspend any outstanding payments to the company. Nene is currently on suspension pending a disciplinary hearing, which is expected to begin soon. October was recently appointed to the NLC board.

In the memo, headed "Forensic investigation - ProEthics", October wrote: "Please be advised that all services and payments to the above service provider should be suspended until further notice."

The payments to ProEthics are among several to be investigated by a new forensic

which has applied to President Cyril Ramaphosa to extend its mandate to allow it to probe payments to NLC service providers as well as grants by the NLC.

ProEthics also attracted the attention of the Auditor General (AG), which flagged at least one payment of R2,443,426 to ProEthics by the NLC, for failing to obtain three quotes as required by the National Treasury.

Responding to detailed questions, ProEthics founding director Janette Minnaar said she was unable to give details of the payments and the work done for the NLC because of a “confidentiality clause” they had signed.


“The SLA (service level agreement) between ProEthics and the NLC contained a confidentiality clause; all information regarding material, costs, and service providers should therefore be obtained directly from the NLC,” she said in an email.

She said ProEthics “was placed on an NLC panel of service providers of the NLC following a proper tender process and an SLA was signed. Appointment on projects was done through a thorough RFQ (request for quote) process and all services were rendered ethically and professionally.

“In rendering our services, we aim to assist our clients to build a culture of integrity. Where the project required services outside our scope of expertise the NLC appointed service providers from their panel to assist in the particular project,” Minnaar said.

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She warned: "... that should any defamatory statement be published or included in any press release we shall take all the necessary steps to hold you personally and *GroundUp* liable".

And, in a subsequent email, Minnaar added: "We again stress that our rights are reserved in toto."

NLC Commissioner Jodi Scholtz, without commenting specifically on ProEthics, said: "The NLC has received a draft report about some procurement irregularities and is studying that to determine the best course of action."

What ProEthics was paid for

GroundUp has seen a list of payments made to ProEthics between 2019 and 2022

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- “Conflict of interest and “conflict of interest vetting”: almost R4.9-million;
- “Mental Health Day” over R2.9-million;
- “Ethics video”: almost R1.1-million;
- “Ethics intervention: International Fraud Awareness Week”: R2.4-million;
- “International Fraud Week - Virtual Conference”: over R2.8-million;
- “Ethics Risk Assessment”: R1.7-million; and
- “Ethics training”: R35,850.

ProEthics states on its website that it is currently on the NLC’s “Corporate governance panel for the NLC ethics office and secretariat” . It has an extensive list of the work it has done for the NLC.

ProEthics does extensive ethics consulting work and training for government, state entities and big business. Besides the NLC, ProEthics clients include the Auditor-General, the Land Bank, the office of the Gauteng Premier, The Office of the Ombud for Financial Services Providers, The Public Investment Corporation, the Reserve Bank, Parliament and the Road Accident Fund. The company has also consulted on ethics, and provided ethics training, to a variety of blue-chip companies and corporations.

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“At ProEthics we promote professional ethics and business integrity. We empower our clients to fight dishonest business practices and prevent losses resulting from crime and irregularities, by promoting an ethical culture and responsible organisational governance.

“We are committed to combat economic crime and harmful business practices that could hurt the innocent, destroy profit and damage quality service delivery.”

Minnaar addressed a virtual conference on anti-corruption and integrity organised by the Organisation for Economic Co-operation and Development (OECD) in 2021. The NLC was a key sponsor of the event and several of its executives featured on panels.

Minnaar told the conference, which was streamed live from Pretoria, that “the NLC is working hard to ensure that the organisation roots out fraud and corruption, which impact negatively on the organisation’s operations.”

Highlighting five main steps to apply in the fight against corruption, Minnaar said it was “crucial to understand how rogues can be dealt with when they get involved in illegal activities”.

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“There is a duty on persons who hold a position of authority or who knew or ought reasonably to have known or suspected that any person has committed an offence in terms of the act or theft, fraud, extortion, forgery or uttering involving more than R100,000 to report it to the police,” she said.

But far from reporting corruption, the previous executive and board of the NLC took extraordinary steps to hide it, hurling legal threats at *GroundUp*, members of its own staff who blew the whistle on corruption, and anyone they perceived as critical of the Commission. DM

First published by GroundUp.

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		Jodi Scholtz
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PROCLAMATIONS • PROKLAMASIES

PROCLAMATION NOTICE 293 OF 2025

by the
PRESIDENT of the REPUBLIC of SOUTH AFRICA

SPECIAL INVESTIGATING UNITS AND SPECIAL TRIBUNALS ACT, 1996 (ACT NO. 74 OF 1996): AMENDMENT OF PROCLAMATION NO. R. 32 OF 2020 - THE NATIONAL LOTTERIES COMMISSION

Under section 2(4) of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996), I hereby amend Proclamation No. R. 32 of 2020 (hereinafter referred to as "the original Proclamation"), by the—

- (a) extension of end date mentioned in paragraph 4 of the body of the original Proclamation (6 November 2020, being the date of publication of the original Proclamation) to date of publication of this Proclamation;
- (b) insertion after paragraph 1 of the Schedule to the original Proclamation of the following paragraph:

"2. The procurement of or contracting for—

- (a) the appointment of a panel of attorneys' firms and legal practitioners in terms of Bid NLC/2020-05;
- (b) the appointment of a service provider for a Comprehensive Employee Wellness Programme for the Employees of the NLC in terms of RFP/2021-15;
- (c) the extension of the appointment of Metrofile for offsite storage of documents and delivery thereof from 1 January 2021 to 31 March 2021;
- (d) the appointment of a service provider for the Procurement of Electronic Board Pack in terms of RFP/2020-06, RFQ NLC/2019-006 and Bid NLC 2020-006;
- (e) the appointment of a service provider for advertorial on Back to Basics Magazine;
- (f) submission for approval: deviation from normal procurement process, Independent Media, Arena Holdings, Media 24;
- (g) the appointment of Mail & Guardian for media road show through a deviation from normal competitive bidding;
- (h) a contract with a service provider for the provision of MPLS services on 12 May 2016;
- (i) a Service Level Agreement for the rental of managed print services for the period 1 June 2018 to 31 May 2021;



- (j) appointment of service provider for travel, accommodation and conferencing as it relates to the fourth licence RFP process;
- (k) placement of advertorials in the Sunday World newspaper;
- (l) a flashmob activation (Women 2021 Celebrations) involving MSG Group Sales, and Elscope Digital Solutions;
- (m) the appointment of Neo Solutions in October 2017 for the development of a Company Secretariat Knowledge Hub Strategy;
- (n) the appointment of Neo Solutions to investigate a potential hacking incident involving the electronic board pack;
- (o) the appointment of Edge Consulting in June 2019 for the implementation of an Oracle Fusion System;
- (p) the appointment of ProEthics to provide services in relation to ethics;
- (q) the appointment of Workforce Healthcare in September 2019 for the provision of employee wellness services;
- (r) the appointment of SRSQS Quantity Surveyors in January 2018 for project managing the acquisition of provincial offices;
- (s) the appointment of Maluks Attorneys in April 2021 to a panel of legal service providers;
- (t) an education and awareness broadcast campaign related to the purchase order dated 29 October 2020; and
- (u) accommodation and travel services rendered by Regency Apartment Hotel and Ndila Transfers,

by or on behalf of the NLC, and payments which were made in respect thereof in a manner that was—

- (i) not fair, equitable, transparent, competitive or cost-effective; or
- (ii) contrary to applicable—
 - (aa) legislation;
 - (bb) manuals, guidelines, practice notes, circulars or instructions issued by the National Treasury; or
 - (cc) manuals, codes, guidelines, policies, procedures, prescripts, instructions or practices of, or applicable to the NLC,

and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the NLC or the State.”;

- (c) substitution in paragraph 2 of the Schedule to the original Proclamation for the expression “paragraph 1” of the expression “paragraphs 1 and 2”; and
- (d) consequential re-numbering of the existing paragraph 2 in the Schedule to the original Proclamation to paragraph 3.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this 15th day of September Two thousand and twenty-five.

CM Ramaphosa
President

By Order of the President-in-Cabinet:

MT Kubayi
Minister of the Cabinet





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REPUBLIEK VAN SUID AFRIKA

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PROCLAMATIONS • PROKLAMASIES

PROCLAMATION NO. R. 32 OF 2020**by the****PRESIDENT of the REPUBLIC of SOUTH AFRICA****SPECIAL INVESTIGATING UNITS AND SPECIAL TRIBUNALS ACT, 1996 (ACT NO. 74 OF 1996): REFERRAL OF MATTERS TO EXISTING SPECIAL INVESTIGATING UNIT**

WHEREAS allegations as contemplated in section 2(2) of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996) (hereinafter referred to as "the Act"), have been made in respect of the affairs of the National Lotteries Commission, previously known as the National Lotteries Board, (hereinafter referred to as "the NLC");

AND WHEREAS the State or the NLC suffered losses that may be recovered;

AND WHEREAS I deem it necessary that the said allegations should be investigated and civil proceedings emanating from such investigation should be adjudicated upon;

NOW, THEREFORE, I hereby, under section 2(1) of the Act, refer the matters mentioned in the Schedule in respect of the NLC, for investigation to the Special Investigating Unit established by Proclamation No. R. 118 of 31 July 2001 and determine that, for the purposes of the investigation of the matters, the terms of reference of the Special Investigating Unit are to investigate as contemplated in the Act, any alleged—

- (a) serious maladministration in connection with the affairs of the NLC;
- (b) improper or unlawful conduct by employees or officials of the NLC;
- (c) unlawful appropriation or expenditure of public money or property;
- (d) unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property;


AKVR

- (e) intentional or negligent loss of public money or damage to public property;
- (f) offence referred to in Parts 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), and which offences were committed in connection with the affairs of the NLC; or
- (g) unlawful or improper conduct by any person, which has caused or may cause serious harm to the interests of the public or any category thereof,

which took place between 1 January 2014 and the date of publication of this Proclamation or which took place prior to 1 January 2014 or after the date of publication of this Proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under authority of this Proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said Special Investigating Unit by the Act, including the recovery of any losses suffered by the State or the NLC, in relation to the said matters in the Schedule.

Given under my Hand and the Seal of the Republic of South Africa at Johannesburg this 20 day of October Two thousand and twenty.

CM Ramaphosa

President

By Order of the President-in-Cabinet:

RO Lamola

Minister of the Cabinet



SCHEDULE

1. Maladministration in the affairs of the NLC in relation to the—
 - (a) investment of funds in the National Lottery Distribution Trust Fund, established in terms of section 21 of the Lotteries Act, 1997 (Act No. 57 of 1997), contrary to the provisions of the said Act; and
 - (b) allocation of money in the Fund referred to in paragraph (a) to beneficiaries who were not entitled thereto in terms of the Lotteries Act, 1997, including the causes of such maladministration.

2. Any improper or unlawful conduct by the officials or employees of the NLC, or any other person or entity, in relation to the allegations set out in paragraph 1 of this Schedule, including the causes of such improper or unlawful conduct and any losses, damage or actual or potential prejudice suffered by the NLC or the State.

A handwritten signature in black ink, appearing to be 'AKVR', is located in the bottom right corner of the page.

SIU investigation of National Lotteries Commission (NLC)

Public Accounts (SCOPA)

20 May 2025

Chairperson: Mr S Zibi (Rise Mzansi)

Meeting Summary

Video

The Special Investigating Unit (SIU) briefed Parliament on its investigations conducted at the National Lotteries Commission (NLC).

The SIU informed the Committee that its investigation of the NLC is not complete. It is in the third phase of its investigation into the NLC corruption case, expected to wrap up by 31 December. In November 2020, President Cyril Ramaphosa issued a proclamation granting the SIU permission to probe the NLC and reclaim any losses. The projected worth of the issues examined in the initial and subsequent phases is R279.7m and R246.6m, respectively. Phase three, currently in progress, holds an estimated worth of R905.9m. The value of contracts being examined for possible civil lawsuits is approximately R2bn. Nonetheless, the SIU has retrieved merely R9.5m of this amount. The Asset Forfeiture Unit has released preservation orders totalling R78.2 million, whereas the preservation orders from the Special Tribunal amount to R37.3 million. A minimum of R6.3 million in pension funds has been put on hold.

At least 15 individuals have been recognised as suspected main figures in the NLC corruption, including the former board chair, Alfred Nevhutanda, who has sought the courts' assistance to relieve himself from the SIU's scrutiny, and former chief operations officer Phillemon Letwaba, who is contesting the constitutionality of the Special Tribunal's preservation order directed at him. The SIU claims that the main individuals reportedly gained access to NLC funds because of insufficient project management, poor monitoring and evaluation, inadequate project auditing methods, widespread mismanagement in the grant approval process, and corrupt practices.

During discussions, a committee member inquired about the level of cooperation from the NLC board and executive, as well as whether the SIU felt hindered. An SIU representative confirmed very good cooperation from both the board and executive, noting collaborative work and referrals for disciplinary actions and inclusion in ongoing investigations. The SIU is also working jointly to expand the scope to procurement-related issues and expressed satisfaction with the cooperation. Another committee member inquired about the status of an additional proclamation request with the Department of Justice. An SIU representative confirmed the process was ongoing, with the annual proclamation being finalised internally before submission to the Department soon.

Committee members raised various questions and concerns. One member asked if NPOs covering property transfer costs for individuals had been assessed to determine how the actual houses were funded, suggesting further investigation. The issue of audit firms and lawyers facilitating corruption was raised, with a request for the SIU to check if these firms were listed in state records and to flag them for blacklisting. A member expressed frustration over the lack of criminal imprisonment for implicated individuals despite the lengthy duration of the matter, seeking an update on criminal proceedings. Concerns were also raised about corruption linked to proactive funding, and whether it should be removed entirely, as well as the lack of independence among distributing agency members. A question was also posed on how to freeze assets on tribal land without title deeds. Another member sought clarity on whether misappropriation amounted to more than R2 billion and questioned the role of lawyers and professional bodies as enablers of corruption, asking about accountability steps. The relationship between underspending and misappropriation was also queried.



An SIU forensic investigator responded that not just transfer fees, but the full purchase price of houses was paid with illicit funds. These funds were transferred shortly after receipt, often through attorneys or companies. All properties identified as purchased with NLC funds and linked to officials have been preserved. Regarding criminal charges, a new prosecutor and team have been assigned to the SIU-NLC investigation, and charges are expected soon. The proclamation extension request is awaiting a decision from the Department of Justice. The SIU believes proactive funding should not be removed as it serves critical functions, but stressed the need for robust processes and a proactive funding committee to ensure accountability. On properties built on tribal land, the SIU is pursuing forfeiture actions based on a precedent where such a property was forfeited to the state, and four such properties have already been uncovered. The R2 billion figure referred to the cumulative value of current investigations, with new allegations continuously coming in.

An SIU operations officer acknowledged concerns about audit firms and lawyers, stating that irregularities would lead to referrals for blacklisting. The SIU would continue to monitor these entities to ensure that other government departments do not use them, and disciplinary referrals would be submitted to the relevant professional bodies. The SIU is committed to recovering all misused public money. The issue of unused funds returned to the Department has not yet been investigated, but the SIU intends to look into it as part of a broader assessment of governance issues at the NLC.

Further questions from committee members included concerns about the NLC system's inability to detect abuse, particularly multiple applications from the same individual using different entities. Specific problematic projects, such as the Motheo sports complex and the Dumbé old age home, were also raised. The nature of the implicated NPOs and trusts was questioned, specifically if they were fictitious entities created solely for grant funding. The concentration of grant allocations in Gauteng was also a concern, as well as material irregularities flagged by the Auditor-General. Committee members emphasised the need for real consequences, including criminal prosecution, and raised concerns about vetting processes for board members and the extent of the money trail, particularly if it extended to politicians. Questions were also asked about a halted investigation into a specific project and the circumstances surrounding a former acting CEO's dismissal despite allegedly uncovering wrongdoing.

Meeting report

Introductory Remarks

The Chairperson greeted everyone and thanked the Special Investigating Unit (SIU) for taking the time to participate in the proceedings that day.

He mentioned that the meeting was another conversation about the National Lotteries Commission.

He reminded everyone that they had already received a briefing by the Auditor-General on the entity's audit outcomes for the previous financial year.

He indicated that the SIU had provided the committee with two documents: one was a comprehensive and lengthy report, which was not to be presented during the meeting but shared for the members' information, and the other was a shorter version, which was to be presented. Members were free to refer to either document during their questions. He emphasised that all of this was part of the preparation for when the Minister and the National Lotteries Commission would appear before the committee regarding the audit outcomes and the ongoing investigations from the SIU's perspective.

He also noted an apology from Adv Andy Mothibi.

SIU





AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

FINAL MANAGEMENT REPORT

NATIONAL LOTTERIES COMMISSION

31 March 2022

Communicated to the accounting authority on: 29 July 2022



[Signature]
AKUR



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

MANAGEMENT REPORT

NATIONAL LOTTERIES COMMISSION

31 March 2022

Discussed with the accounting authority on: 29 July 2022

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AUDITOR-GENERAL
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Auditing to build public confidence

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MANAGEMENT REPORT TO THE ACCOUNTING AUTHORITY ON THE AUDIT OF THE NATIONAL LOTTERIES COMMISSION FOR THE YEAR ENDED 31 MARCH 2022

INTRODUCTION

1. The purpose of the management report is to communicate audit findings and other key audit observations to the accounting authority and to provide a summary of the material irregularities and suspected material irregularities of which the accounting authority was notified. The report does not constitute public information.

The management report includes audit findings arising from the audit of the financial statements, performance information and compliance with legislation for the year ended 31 March 2022. These findings were communicated to management and this report details management's response to these findings. The report includes information on the internal control deficiencies that we identified as the root causes of the matters reported. Addressing these deficiencies will help to improve the audit outcome.

2. In accordance with the terms of engagement, our responsibility in this regard is to:
 - express an opinion on the consolidated and separate financial statements
 - express an opinion in the management report on the usefulness and reliability of the reported performance information for selected programmes, and report the material findings in the auditor's report
 - report on material findings relating to compliance with specific requirements in key applicable legislation, as set out in the general notice issued in terms of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA)
 - notify the accounting authority] of any material irregularity or suspected material irregularities identified during the audit, and report on it in the auditor's report.)
3. Our engagement letter sets out our responsibilities and those of the accounting authority in detail.
4. This management report consists of the overall message arising from the audit, summary of key findings and observations, annexures containing the detailed audit findings, annexures to the report on the audit of performance information as well as the annexure to internal control deficiencies reported.
5. The auditor's report is finalised only after the management report has been communicated. All matters included in this report that relate to the auditor's report remain in draft form until the final auditor's report is signed. In adherence to section 50 of the PAA, we do not disclose any information obtained during the audit and contained in this management report.



6. The **figure** that follows provides a pictorial summary of the audit results and our key messages on how to [improve/sustain] the audit outcomes with the focus on the following:

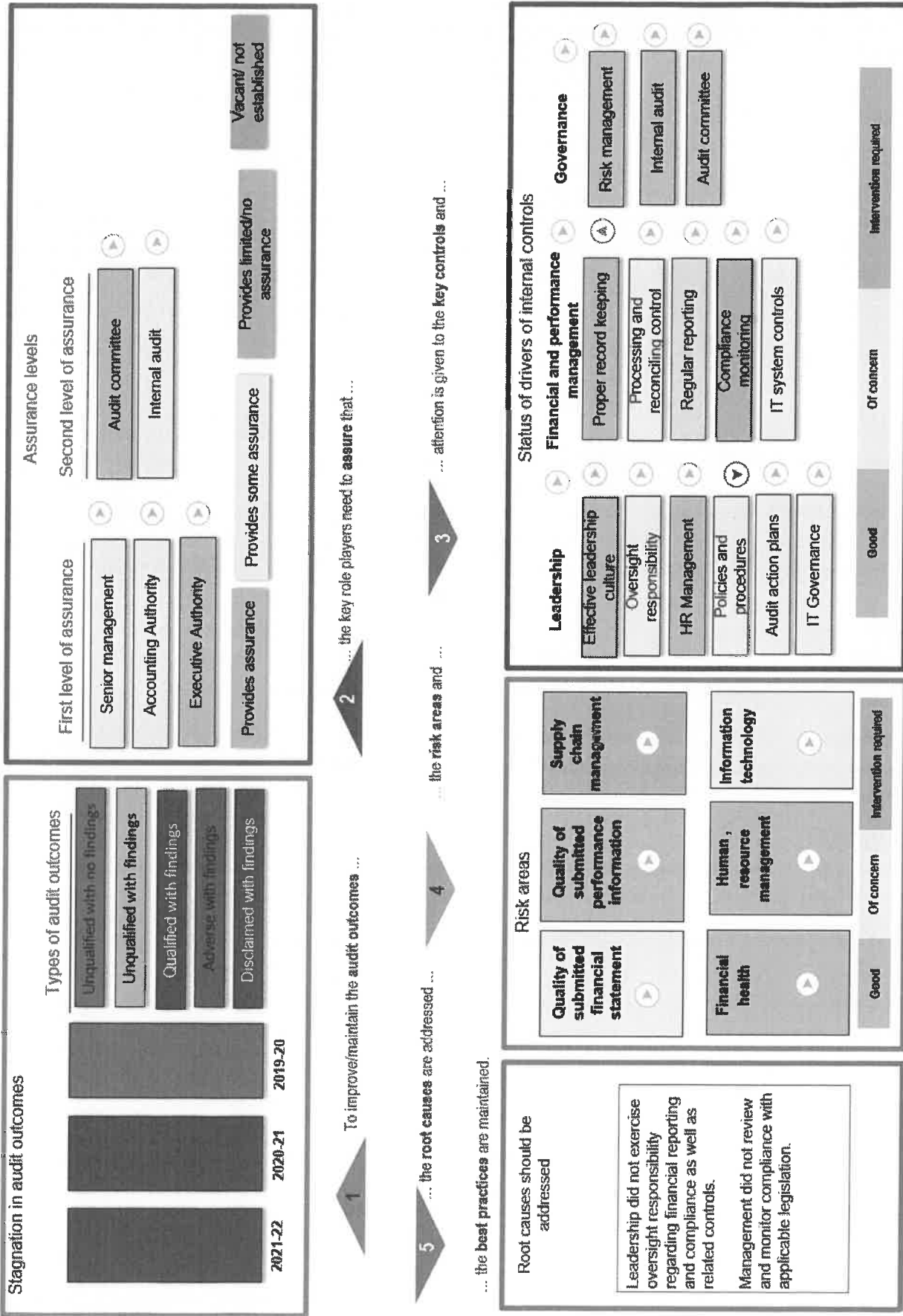
- Status of the audit outcomes
- Status of the level of assurance provided by key role players
- Status of the drivers of internal controls
- Status of risk areas
- Root causes to be addressed

7. Movement from the previous year is depicted as follows:

- ⬆ Improved
- ➡ ⬆ ⬇ Unchanged / slight improvement / slight regression
- ⬇ Regressed




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OVERALL MESSAGE

8. The NLC audit outcome has remained stagnant from the previous year. The irregular expenditure disclosure in the annual financial statements is qualified again this year. This is due to material findings on non-compliance with procurement legislation as a result of poor implementation of key controls which include oversight by management on financial reporting and compliance with legislation. Deviations from procurement processes were not in accordance with supply chain management prescripts. We noted a further deterioration within the SCM environment as procurement from various panels of service providers was not conducted in terms of the requirements of the SCM prescripts.
9. The NLC revisited the prior year population to correct errors identified in the prior year audit, this exercise was not adequate due to the fact that it was started late. We noted misstatements in the corrected prior year population.
10. We were unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1) (e) (iii) of the PFMA. The exercise of investigating was also started late in the audit.
11. The financial health of the entity has been assessed as good, as the current assets exceed the current liabilities, and the entity has cash and cash equivalents that can be used to deliver on its mandate.
12. The status of Information and communications technology (ICT) audit outcomes remain stagnant as they show no improvement in addressing the previous year audit findings relating to user access management controls. Although control deficiencies were not identified in the IT Governance focus area, the repeat findings and management inability to address the control deficiencies questions the effectiveness of NLC's control environment and its related processes.
13. Management needs to consider the use of external legal service providers and determine if there is value for money for NLC as per the analysis of expenditure for the NLC we noted that legal fees increased by R37 million which represent a 91% increase from prior year. 31% of goods and services spending relates to legal fees. Legal fees in the current year amount to R78 million. Based on the sample selected legal fees are incurred on the following matters: Legal opinion on Corporate governance and review of regulations (30%), Disciplinary hearing (25%), Advisory services on IVS - Playtronics Lotteries System (22%), CCMA cases (12%) and Other (11%). Even though a lot of expenditure is incurred on legal fees, NLC has minimal contingent liabilities. This shows that the bulk of legal fees expenditure is not as a result of NLC defending itself in a court of law, but due activities initiated by management as analysed above. The legal unit has 9 employees of which one is an advocate, two are attorneys and one is registered with Association of Certified Fraud Examiners (ACFE). A total of R8 925 352 was spent on salaries within the unit.



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 A handwritten signature in black ink, appearing to be 'A. ...'.

No	Supplier	Amount awarded R	Finding/ Comment
7	Pro-Ethics - PO12177	2 443 426	As per the final award report, the reason for not obtaining 3 quotes was that only 1 supplier responded. The reason however does not appear to be reasonable/ justified on the basis that it was impossible/ impractical to obtain 3 written quotations as the request was only sent to 5 suppliers on the panel and there are 8. It is not clear why only these 5 suppliers were approached. Evidence of the communication with the 5 suppliers have also not been submitted for audit nor the actual terms of reference/ request.
8	Cugy consulting RFP/2021-048	1 455 818	At least three price quotations were not obtained. Only 4 suppliers on the panel were emailed, there are more than 4 suppliers on the panel and it is not clear why only these 4 were approached. Only 2 suppliers responded and no deviation from obtaining 3 quotes was submitted for audit. The reason for not obtaining three quotes does not appear to be reasonable/ justified on the basis that it was impossible/ impractical to obtain 3 written quotations as the request for proposals was only sent to 4 suppliers on the panel and not all of them. There are 19 suppliers on the panel.
	Total	5 235 340	

Impact

Non-compliance with the mentioned legislation will result in the expenditure incurred being irregular expenditure and where expenditure could have been avoided will result in fruitless and wasteful expenditure.

Internal control deficiency**Financial and performance management***Review and monitor compliance with applicable legislation*

Management did not review and monitor compliance with the mentioned legislation to ensure that three written price quotations are obtained and if three quotations are not obtained that the reason/s are reasonable/ justified on the basis that it was impossible/ impractical to obtain 3 written quotations.

Recommendation

It is recommended that management ensures compliance with the mentioned legislation and where three quotations are not obtained the reason/s are reasonable/ justified on the basis that it was impossible/ impractical to obtain 3 written quotations.



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No	Supplier	Amount awarded R	Auditor's conclusion
4	Underwraps Caterers - PO12788	14 096	National Treasury practice note no. 3 of 2003 section does not indicate that Practice Note 2 of 2020/21 par 3.2.4(a) must not be adhered to, therefore the finding remains.
5	Maribelo Trading & Projects - PO12866	174 800	National Treasury practice note no. 3 of 2003 section does not indicate that Practice Note 2 of 2020/21 par 3.2.4(a) must not be adhered to, therefore the finding remains.
6	Raphesu JL Attorneys - PO11397	474 919	Reason for deviation doesn't seem justified on the basis that it was impossible/ impractical to obtain 3 quotes. Based on the evidence submitted it is not clear why Raphesu JL was specifically selected as there could be more than one practising advocate that can deal with the complexity of the matter with the same/ similar expertise in the relevant field. Based on the above, the finding remains.
7	Pro-Ethics - PO12177	2 443 426	Practice Note 2 of 2020/21 par 3.2.4(a) was not adhered to, therefore the finding remains.
8	Cugy consulting RFP/2021-048	1 455 818	Based on the evidence submitted it is not clear why only the 4 services providers were approached, there are 19 service providers on the panel. National Treasury practice note no. 3 of 2003 section does not indicate that Practice Note 2 of 2020/21 par 3.2.4(a) must not be adhered to, therefore the finding remains.
	Total	5 235 340	



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Tsotsi star's house, bought with lottery funds, frozen by Special Tribunal

23 December 2025 | ARTICLE

By Raymond Joseph

...lottery corruption. Archive photo: Ashraf Hendricks A property in Pretoria bought by Oscar-winning actor Presley Chweneyagae, using funds from a lottery grant, has been frozen by the Special Tribunal....

Lottery whistleblowers denied financial compensation

19 December 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission staff who blew the whistle on corruption have been denied financial compensation after a year-long reparations process. Photo: Ashraf Hendricks Former National Lotteries...

Three candidates recommended for Lottery chair

5 December 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC). Parliament's portfolio committee on trade, industry and competition, which oversees the lottery, has recommended King Tembinkosi Bonakele, Mpho Mosing and Lufono T...

Alfred Nevhutanda used Lottery money to build a holiday mansion

2 December 2025 | ARTICLE

By Elmon Tshikhudo and Raymond Joseph

...National Lotteries Commission Alfred Nevhutanda using lottery funds. Photo: Elmon Tshikhudo Alfred Nevhutanda, the former chair of the National Lotteries Commission (NLC), used Lottery money to build ...

Millions in Jozi FM lottery grants have gone missing

17 November 2025 | ARTICLE

By Raymond Joseph and Kimberly Mutandiro


AKVR

...lottery grants paid to the Soweto Media Resources Centre, which operates Jozi FM radio station. Illustration: Lisa Nelson The Special Investigating Unit (SIU) is investigating over R34-million in lot...

Process to appoint new Lottery chair underway

24 October 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission after the current chair, Professor Barney Pitso, indicated that he would be retiring. Archive photo: Ashraf Hendricks Candidates for the soon-to-be-vacant position of N...

Lottery commits R124-million to fight HIV and TB

16 October 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has stepped in to help fill the gap left by the withdrawal of US funds in the fight against HIV and TB. Archive photo: Ashraf Hendricks The National Lotteries Commission...

Ramaphosa extends SIU probe into Lottery

11 October 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission to include procurement. Archive photo: Ashraf Hendricks The Special Investigating Unit (SIU) has had success freezing and recovering stolen Lottery grant money. But its ...

Lottery Commission extends reparations to staff

18 September 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission to pay reparations to staff and employees who blew the whistle on corruption and "suffered harm" as a result under the previous administration. Illustration: Lisa Nelson ...

Lottery corruption case reaches court after years of delays

6 September 2025 | ARTICLE

By Raymond Joseph

...lottery grant for a gender-based violence project that never existed. This is only the second lottery corruption case to reach court despite at least 19 matters referred to the National Prosecuting Au...

Lottery board chair Barney Pityana resigns

23 August 2025 | ARTICLE

By Raymond Joseph

...Commissioner Jodi Scholtz and a new board, stabilised the organisation. Barney Pityana, chairperson of the National Lotteries Commission (NLC), has tendered his resignation with two years of his five...

SIU investigation into lottery corruption hamstrung by red tape

22 July 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission leadership. But the narrow terms of the original proclamation authorising it to only investigate dodgy lottery grants has hamstrung the SIU, despite it having applied for...

Mystery of R3-million in Lottery funds paid to Athletics South Africa

18 July 2025 | ARTICLE

By Raymond Joseph

...lottery looters. MMM had received R18-million from the National Lotteries Commission (NLC) for a bogus rural cycling project. Cycling SA, the national body which oversees the sport in South Africa, sa...

How Lottery looters hijacked a GBV organisation

15 July 2025 | ARTICLE

By Raymond Joseph and Anton van Zyl

...National Lotteries Commission. Illustration: Lisa Nelson An organisation helping victims of abuse was hijacked in 2018 to apply for an R18-million grant from the National Lotteries Commission. The L...

Minister appoints ten new lottery grant assessors after year-long delay

7 July 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission says there is no longer a backlog of outstanding grant applications. Illustration: Lisa Nelson After a year-long delay, while the National Lotteries Commission (NLC) had ...

R10-million emergency lottery funding for flood-ravaged Eastern Cape

29 June 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has used a new funding mechanism to urgently release money for flood relief in the Eastern Cape. Archive photo: Ashraf Hendricks
The National Lotteries Commission (NLC) i...

Lottery licence evaluators had no lottery experience

26 June 2025 | ARTICLE

By Raymond Joseph

...Lottery Commissioner Jodi Scholtz addresses Parliament. Minister Parks Tau and National Lotteries Commissioner chairperson Barney Pityana are sitting next to her. Photo: Raymond Joseph The committee ...

Alarm raised over plans for state-run lottery

20 June 2025 | ARTICLE

By Raymond Joseph

...lottery licence were “required to commit to positioning the state to transition from privately operated National Lottery and National Sports Pool operations to a state-owned and operated National Lott...

Luxury home of Lottery “kingpin” frozen by Special Tribunal

5 June 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) chief operating officer Phillemon Letwaba, which was paid for with lottery funds, has also been frozen by the Tribunal. Diverted funds The SIU investigation “revea...

Handwritten signature and initials in the bottom right corner of the page. The signature appears to be 'M' followed by a flourish, and the initials 'AKVR' are written below it.

Troubling questions as minister gives Ithuba another year to run lottery

2 June 2025 | ARTICLE

By Raymond Joseph

...National Lotteries] Commission, successful negotiations with Ithuba Holdings (RF) (Pty) Ltd and have signed a Temporary Licence Agreement for them to operate the National Lottery and Sports Pool on a ...

NLC did nothing to stop 4,000 “delinquents” from getting grant funding

29 May 2025 | ARTICLE

By Joseph Bracken and Raymond Joseph

...National Lotteries Commission (NLC) told Parliament on Tuesday that its efforts to curb corruption have caused underspending. While systems have been upgraded to prevent corrupt grants, the NLC unders...

SIU cracks down on lottery corruption, but NPA missing in action

22 May 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission to Parliament’s Standing Committee on Public Accounts on Tuesday. While the SIU has taken measures to recover stolen Lottery money that was meant for good causes, it does...

Ithuba poised to run Lottery for next 12 months — despite legal concerns

16 May 2025 | ARTICLE

By Raymond Joseph

...Lottery. It is also about to launch a national lottery in Uganda and is currently finalising negotiations to run the national lottery in Botswana. Sizekhaya bid controversy The Sizekhaya Consortium’s ...

Lottery ticket sales likely to be suspended from 1 June

31 March 2025 | ARTICLE

By Raymond Joseph

...lottery operator licence tender, the minister responsible for the lottery has backtracked and now says he will announce who will run South Africa’s lottery and sports pools for the next eight years “o...


AKR

R25-million and six years later, Soweto centre still needs millions to be completed

25 March 2025 | ARTICLE

By Raymond Joseph and Kimberly Mutandiro

...National Academy of Africa's Performing Arts. Photos: Kimberly Mutandiro. After receiving R10-million from government in 2018 and a further R15-million from the Lottery in 2021, the National Academy ...

Two more Lottery officials dismissed after appeals fail

14 March 2025 | ARTICLE

By Raymond Joseph

...Commission for Conciliation, Mediation and Arbitration. Two senior National Lotteries Commission (NLC) staff members have been dismissed after their appeals against their summary dismissals last year...

Minister issues tender for 12-month temporary lottery licence

6 March 2025 | ARTICLE

By Raymond Joseph

...lottery has been issued. Illustration: Lisa Nelson Trade, Industry and Competition Minister Parks Tau has issued a closed request for proposals (RFP) for a temporary licence to run the national lotte...

Lottery secretary resigns after pocketing R6-million while on suspension

4 March 2025 | ARTICLE

By Raymond Joseph

...Lottery says her resignation was an attempt to avoid a possible guilty finding. Suspended National Lotteries Commission (NLC) company secretary Nompumelelo Nene, who earned close to R6-million since ...

Court blocks former Lottery official from receiving money after sale of his luxury home

28 February 2025 | ARTICLE

By Raymond Joseph


AC NR

...National Lotteries Commission Board member advocate William Huma. The SIU obtained an urgent interdict to freeze R10-million from the sale of a Waterkloof mansion linked to former National Lotteries ...

Decision on new Lottery operator postponed by a year. But Ithuba's licence expires in May

24 February 2025 | ARTICLE

By Raymond Joseph

...lottery operator for another 12 months. Illustration: Lisa Nelson Minister Parks Tau has postponed announcing the new lottery operator for another 12 months, marking the third delay since July 2022. ...

SIU applies to extend lottery corruption probe

18 February 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) between 1 January 2014 and 7 November 2020. The SIU is seeking a mandate to investigate lottery-funded projects that fall outside that period. It also wants to inve...

Lottery paid R500,000 to company to probe computer breach that never happened

6 February 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission paid nearly R500,000 to a private company to investigate a computer breach that never happened. Archive photo: Ashraf Hendricks In 2020 the National Lotteries Commission...

Lottery bosses turned to State Security Agency to investigate leaks

29 January 2025 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board chairperson Alfred Nevhutanda asked the State Security Agency (SSA) in December 2018 to investigate the leaking of documents that exposed lottery corruption. ...

FNB closes bank accounts of dodgy lottery-funded "activist"

16 January 2025 | ARTICLE

Handwritten signature and initials in the bottom right corner. The signature appears to be 'Ry' and the initials are 'AKR'.

By Raymond Joseph

...National Lotteries Commission (NLC). These attacks have included calls for Trade and Industry Minister Parks Tau to disband the board and dismiss its commissioner, Jodi Scholtz. Sithathu was close to ...

Announcement of new lottery licence operator postponed - again

24 December 2024 | ARTICLE

By Raymond Joseph

...Lottery tickets may have to be suspended while the tender for the new Lottery operator is finalised. Illustration: Lisa Nelson Parks Tau, the trade and industry minister, has postponed naming a winnin...

Sports organisation hides how R17-million Lottery funding was used

20 December 2024 | ARTICLE

By Joseph Bracken and Raymond Joseph

...Lottery funds between 2019 and 2021 to organise sporting events. The National Lotteries Commission (NLC) provided only a vague breakdown of the grants with no details of the sporting events or teams t...

Leaked report exposes abuse of lottery money paid to minstrel group

17 December 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) to set up a museum to celebrate the city's rich minstrel history went astray. The museum was never created. The details of the abuse of millions of rands of Lottery...

"Pot" Stemmet faces charges over theft of Lottery-funded equipment

12 December 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission to investigate the Lottery-funded minstrel museum: Photo from an investigative report commissioned by the NLC Richard "Pot" Stemmet is facing prosecution after equipment...

The accountants who helped loot the Lottery

A handwritten signature, possibly 'AKVR', is located in the bottom right corner of the page.

26 November 2024 | ARTICLE

By Raymond Joseph

...Lottery money intended for "good causes". The accounting firms compiled fraudulent financial statements used by these companies to apply for Lottery funding, the SIU told Parliament. Acting chief nati...

Lottery blocks payment to lavishly funded music event

25 November 2024 | ARTICLE

By Raymond Joseph

...Lottery funding. The National Lotteries Commission (NLC) is refusing to pay a R1.2-million grant it initially approved for an annual traditional music awards ceremony. The same event also received te...

Former lottery executive fired after disciplinary hearing

11 November 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission paid out R6-million for a sports complex which was meant to be built on this site in Soweto. In fact nothing happened. Archive photo: Masego Mafata. Former National Lott...

Gardener mauled to death by former Lottery boss's guard dog

28 October 2024 | ARTICLE

By Raymond Joseph

...Lottery funding being allocated for the project since 2017. Photo: Raymond Joseph
Stevens Mabuse, a gardener employed by Phillemon Letwaba, the former National Lotteries Commission (NLC) chief operat...

Lottery spent over R1-million on lawyers to stop GroundUp exposing corruption

17 October 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission spent over R1-million to try to stop GroundUp exposing the corruption that was overwhelming it. Illustration: Lisa Nelson Under its previous administration, the National...

Lottery spent R1.5-million on “lawfare” to try to stop Minister Ebrahim Patel’s anti-corruption battle

15 October 2024 | ARTICLE

By Raymond Joseph

...commissioner were appointed. The National Lotteries Commission (NLC) spent almost R1.5-million in two financial years to litigate against the minister responsible for the lottery when he attempted to...

Lottery blows millions of rands on lawyers

11 October 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission spent almost R13-million on litigation involving whistleblowers. Illustration: Lisa Nelson Minister Parks Tau has revealed that the National Lotteries Commission (NLC) s...

Minister says he won’t bow to pressure on the Lottery

10 October 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board and the NLC commissioner. Tau made it clear he would not act hastily. The Auditor-General presented its findings on Department of Trade and Industry entities,...

Minister responds to attack on the Lottery

4 October 2024 | ARTICLE

By Raymond Joseph

...commissioner of the National Lotteries Commission (NLC). The attack on the NLC comes ahead of the process to appoint the next licence for running the national lottery, a highly lucrative contract. One...

The men behind the attack on the Lottery

1 October 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) in Parliament last week was led by three men: chair of the trade and industry portfolio committee Mzwandile Masina, former minister Malusi Gigaba and the EFF’s Mbuy...



Coordinated attack on new Lottery board

27 September 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission is under attack from what appears to be a well-coordinated “fightback” campaign to force the minister responsible for the lottery to dissolve the Commission’s board and d...

Luxury properties seized in new Lottery crackdown

29 August 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Graphic: Lisa Nelson Luxury homes, a farm and an upmarket car have been frozen as part of the ongoing investigation into lottery corruption. The High Court in Pretoria ...

Lottery corruption: two men arrested in Soweto

26 August 2024 | ARTICLE

By Raymond Joseph

...National Lottery Commission (NLC) on the pretence they were committee members of a non-profit organisation called Kgatelopele Foundation. Sedibe has been implicated in several fraudulent schemes. Grou...

Dodgy multi-million rand Rio Olympics grant under investigation

15 August 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission have also opened a case with the police. But there is growing frustration at the slow pace of the Hawks’ investigation. The National Lottery Commission’s (NLC) former bo...

Paris Olympics: Lottery steps in at 11th hour to help fund Team SA

5 August 2024 | ARTICLE

By Raymond Joseph



...lottery grants to the South African Sports Confederation and Olympic Committee (SASCOC) have been squandered. The National Lotteries Commission (NLC) has thrown a cash-strapped Team South Africa a la...

Lottery grant backlog builds up because Minister has not filled vacancies

17 July 2024 | ARTICLE

By Raymond Joseph

...Lottery ticket sales is supposed to go to good causes but the National Lotteries Commission is battling to distribute its funds. Illustration: Lisa Nelson
The National Lotteries Commission (NLC) is b...

Athletics SA boss may face prosecution for Lottery corruption

7 May 2024 | ARTICLE

By Raymond Joseph

...Lottery grant money to pay lawyers and transfer costs for a house he bought. Photo of Terrence Magogodela supplied by SIU Athletics South Africa boss Terrence Magogodela used Lottery grant money to p...

How the Lottery used an ethics company to launder money

15 April 2024 | ARTICLE

By Raymond Joseph

...Lottery officials got an ethics company to make payments for questionable third-party services. Illustration: Lisa Nelson
The National Lotteries Commission (NLC) instructed service providers to pay t...

Tribunal blocks former Lottery boss from selling farm bought with grant money

6 April 2024 | ARTICLE

By Raymond Joseph

...National Lotteries Commission chief operating officer Phillemon Letwaba, which was purchased using millions of rands from Lottery funds. Lottery funding was diverted from two multimillion-rand lottery...

How the Lottery paid R1.7-million for a flash mob that never happened

5 April 2024 | ARTICLE

A handwritten signature, possibly 'M', is written in the bottom right corner. Below it, the initials 'AKVR' are written in a stylized, handwritten font.

By Raymond Joseph and Tsoanelo Sefoloko

...National Lotteries Commission paid R1.7-million, featuring social media personality and performer Lebo Molax's dance group Boys In Heels. As far as we can tell the video has not previously been made p...

Previous Lottery board and management ignored corruption investigations

15 March 2024 | ARTICLE

By Raymond Joseph

...commissioned by the previous board of the National Lotteries Commission (NLC) were ever fully implemented, Parliament has been told. One report was not implemented at all and 12 were only partially im...

Hawks and SIU raid accountants in lottery corruption investigation

21 February 2024 | ARTICLE

By Raymond Joseph

...Lottery. Logo taken from Wikimedia A raid by the Hawks and the Special Investigating Unit (SIU) on a Kimberley accounting firm was part of an ongoing investigation that began with a raid on the Nation...

"Criminal syndicate" was run inside the Lottery says SIU

16 February 2024 | ARTICLE

By Raymond Joseph

...National Prosecuting Authority, Special Investigating Unit and National Lottery Commission delegations were in Parliament this week. Photo: Raymond Joseph The Special Investigating Unit told Parliame...

Hawks act against one of their own for Lottery corruption

12 February 2024 | ARTICLE

By Raymond Joseph, Thembi Siaga and Anton van Zyl

...National Lotteries Commission (NLC) grant made to a foundation controlled by a former high-ranking police officer. The dossier and its findings have been handed to the National Prosecuting Authority (...)

Kwaito star fails to overturn preservation order on his guesthouse



31 January 2024 | ARTICLE

By Raymond Joseph

...National Prosecuting Authority against a guesthouse believed to have been unlawfully bought with funds from the National Lotteries Commission (NLC). Mafokate argued the money from the Lottery was due ...

Lottery whistleblower is one of five South Africans to win international award

5 December 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission grant and was fired, has won an international whistleblower award. Archive photo: Raymond Joseph
Former National Lotteries Commission employee Mzukisi Makatse, who paid a...

Third qualified audit in a row for National Lotteries Commission

5 December 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has received a qualified opinion from the Auditor-General. Archive photo: Ashraf Hendricks For the third time in as many years, the National Lotteries Commission (NLC) h...

Lottery to lay criminal complaints against former board members

23 November 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission board is intent on holding those who corrupted the organisation accountable. Illustration: Lisa Nelson
The National Lotteries Commission (NLC) intends to lay criminal co...

The NPA, the former Lottery boss and the Rolls Royce

21 November 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission board chair Alfred Nevhutanda sold his luxury Rolls Royce less than three months after he paid R6.3-million for it. The National Prosecuting Authority says it is "irrefut...

A handwritten signature, possibly 'Raymond Joseph', is written in dark ink. Below it, the initials 'AK-12' are written in a similar style.

NPA under pressure to bring Lottery looters to court

25 October 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC), and for the National Prosecuting Authority (NPA) to prosecute people implicated in the looting. So far, only one person has been convicted in a case involving Lott...

How the former Lottery board chair paid for his R6.3-million Rolls Royce

18 October 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board chairperson Alfred Nevhutanda have been frozen by the Pretoria High Court. Both were bought using Lottery grant money. The car and the property are included i...

New measures to prevent Lotto looting

22 September 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission, overwhelmed by fraud and corruption in recent years, has told Parliament it is taking extensive measures to stamp out graft. Archive photo: Ashraf Hendricks The Nationa...

Lottery official's bank accounts frozen because of suspicious payments

15 September 2023 | ARTICLE

By Raymond Joseph and Ella Morrison

...National Lottery Commission (NLC) official and his wife and their company, have been frozen. Nosipho Zanele Zuma, the wife of NLC official Sibonelo Vilakazi, is sole director of 05 ZZET Enterprises (P...

Lottery looter is living the jet set life

30 August 2023 | ARTICLE

By Grethen de Waal, Ella Morrison and Raymond Joseph

...Lottery grants and legal work for the National Lotteries Commission, enjoys a champagne lifestyle jetting around the world for holidays at exotic getaways. Both his house on the luxury Mooikloof Count...

A handwritten signature, possibly 'M', is written in the bottom right corner. Below it, the initials 'AKW' are written in a stylized, cursive font.

Kwaito star Arthur Mafokate and the dodgy Lottery grant

21 August 2023 | ARTICLE

By Raymond Joseph

...Lottery money was used in its purchase. The National Lotteries Commission (NLC) paid R9.3-million to non-profit South African Arts and Development Association (SAADA), controlled by Mafokate, for musi...

Lottery loses court case after lawyer no-show

17 August 2023 | ARTICLE

By Tania Broughton and Raymond Joseph

...Lottery grants. On 4 August, First National Bank (FNB) at the behest of the Lottery froze the bank accounts of 05 ZZET Enterprises, a company owned by Nosipho Zanela Zuma. Zuma took FNB and the Lotter...

Exposed: The Sunday World's lucrative partnership with the Lottery

3 August 2023 | ARTICLE

By Raymond Joseph and Anton van Zyl

...National Lotteries Commission's advertising spend, despite its relatively small weekly circulation. Between 2019 and 2022, the National Lotteries Commission spent tens of millions of rands in the med...

Lottery promises to fight corruption

17 July 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission implement a string of measures to counter corruption. Archive photo: Ashraf Hendricks Minister Ebrahim Patel has requested that the National Lotteries Commission (NLC) i...

Fikile Mbalula in row over frozen luxury house

27 June 2023 | ARTICLE

By Raymond Joseph

A handwritten signature, possibly 'Akur', is located in the bottom right corner of the page.

...Lottery grant money. The wife of former National Lotteries Commission chief operating officer Philemon Letwaba has claimed under oath that her company loaned R3-million to then-sports minister Fikile ...

New Lottery boss promises huge clean-up

20 June 2023 | ARTICLE

By Raymond Joseph

...Commissioner of the National Lotteries Commission, Jodi Scholtz, says the Lottery is looking at ways to compensate whistleblowers and communities wronged by corruption. Photo supplied New commissione...

Man behind failed Soweto sports centre has fingers in several Lottery pies

19 June 2023 | ARTICLE

By Raymond Joseph and Masego Mafata

...National Lotteries Commission paid R6-million towards a sports facility that has never been built. The money was paid to Motheo Sports and Entertainment Foundation even though permission had not been ...

Row over cost of Lottery's annual reports

13 June 2023 | ARTICLE

By Raymond Joseph

...National Lottery Commission's 2022 annual report. The National Lotteries Commission spent R7.3 million on its annual reports over the past three years. This is according to a written answer by Minist...

Dodgy Lottery lawyer trapped by his web of lies

7 June 2023 | ARTICLE

By Raymond Joseph and Anton van Zyl

...National Lotteries Commission (NLC) for funding for the rehab and for project managing its construction. He also claimed that two amounts totalling more than half-a-million rand paid by Denzhe towards...

GroundUp told to remove Lottery article following fake copyright claim

19 May 2023 | ARTICLE

Handwritten signature and initials in the bottom right corner. The signature appears to be 'My' and the initials are 'AKVR'.

By Raymond Joseph, Anton van Zyl and Nathan Geffen

...lottery. It was published on 9 June 2022, a few days after questions were sent to Ramulifho and the National Lotteries Commission (NLC) asking why, despite Ramulifho being under investigation for corr...

Board member's abandoned farm business soaked up R4.6-million in Lottery funds

18 May 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board member received more than R4.6-million from the NLC's arts sector. The infrastructure at the project doesn't add up to the amount of money from the grant. The...

Company made millions advising corruption-riddled Lottery on ethics

4 May 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) for ethics-related interventions at a time that the NLC was overwhelmed with allegations of corruption. The NLC has since been instructed to suspend the company's s...

New National Lotteries Commission Board appointed

2 May 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Archive photo: Ashraf Hendricks The Cabinet has approved the appointment of a new board for the National Lotteries Commission, after the term of the interim board that w...

Special Investigating Unit to ask President Ramaphosa to extend its Lottery probe

3 April 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Graphic: Lisa Nelson The Special Investigating Unit, which is probing corruption involving Lottery grants, is applying to have its mandate extended to cover procurement...

Concern in Parliament over slow pace of prosecutions for Lottery corruption


AKVR

28 March 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission, Parliament has been told. Illustration: Lisa Nelson The trade and industry minister, MPs and the National Lotteries Commission (NLC) chairperson have all expressed conc...

Key legal files involving Lottery's multimillion-rand litigation have vanished

23 March 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission and Minister Ebrahim Patel suspects collaboration between the old NLC and lawyers. He says he will probe further. Graphic: Lisa Nelson The National Lotteries Commission ...

Lottery gives R10-million for youth awards ceremony - but not a cent was spent on the event

14 March 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission chief shared in the looted money. R1-million was paid to a company of which actress Terry Pheto is the sole director. A forensic audit company says the NLC was guilty of ...

Strict new measures to combat Lottery corruption

13 February 2023 | ARTICLE

By Raymond Joseph

...Lottery-funded projects. A hotline to report Lottery corruption has seen three tip-offs referred for forensic investigation. The National Lotteries Commission (NLC) has introduced stringent new proto...

Youth organisation scored big time from Lottery amendment for which it lobbied

23 January 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) to the Trade, Industry and Competition Parliamentary Committee. Instead of the NLC waiting for applications, SAYM proposed the introduction of proactive funding, wh...

A handwritten signature, possibly 'AKW', is written in the bottom right corner of the page.

How Lottery money was used to fund mansions for high flyers

16 January 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board member William Huma, lies in the picturesque foothills of the Kgaswane Nature Reserve Mountains. And in Midrand, Gauteng, a luxury guest house with conference...

Mystery: Why did a youth movement get lottery funding to build an old age home that doesn't appear to be needed?

12 January 2023 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) since 2016. The grants are all recorded in NLC annual reports under several slightly different variations of the organisation's name. SAYM also received almost R27-...

R27-million from Lottery but six years later rehab still not operational

19 December 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) since 2016. This is part of R67.5-million in grants that the Southern African Youth Movement (SAYM), the NPO responsible for the project, has received from the NLC....

R15m for 5-night show - the Tsotsi star's Lottery-funded musical

12 December 2022 | ARTICLE

By Raymond Joseph

...Lottery, according to the NLC's annual reports. "Taking Back the Future is a project funded by National Lotteries Commission [NLC]," SAYM said on its website, in a post that is no longer on the site, ...

New full-time Lotteries boss to be appointed early next year

6 December 2022 | ARTICLE

By Raymond Joseph

...Commissioner of the National Lotteries Commission next year. Photo: DTIC website
GroundUp has learnt that Jodi Scholtz will take over as Commissioner of the National Lotteries Commission early next y...



Senior Lotteries staff suspended as corruption crackdown gains momentum

30 November 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission have been suspended. One has since resigned. Archive photo: Ashraf Hendricks Five key staff members at the National Lotteries Commission have been suspended. One has sin...

Army of fake companies used to defraud the Lottery

17 November 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission board member Muthuhadini Madzivhandila is implicated in the latest SIU raid on the scandal-ridden organisation's offices. Illustration: Lisa Nelson The Special Investiga...

Terry Pheto's house may go up for auction to recover Lottery funds

7 November 2022 | ARTICLE

By Raymond Joseph

...Lottery grants. GroundUp has reliably learnt that the Special Investigating Unit has "made criminal referrals" to the NPA involving National Lotteries Commission board members, their relatives and cro...

Millions to be spent to complete abandoned Lottery-funded projects

31 October 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) has allocated nearly R65-million to finish Lottery-funded projects where tens of millions of rands were looted. New funds are to be paid directly to engineers commi...

Lottery cracks down on sky-high spending on lawyers

20 October 2022 | ARTICLE

By Raymond Joseph

A handwritten signature, possibly 'RJ', is written in the bottom right corner of the page. Below it, the initials 'AKJR' are written in a similar handwritten style.

...National Lotteries Commission for details of legal expenditure. Archive photo: Ashraf Hendricks Minister Ebrahim Patel has asked the National Lotteries Commission for details of legal costs involving...

Former Lottery boss personally recommended R4.8-million grant for his wife's company

17 October 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission chief operating officer Phillemon Letwaba personally recommended a grant to his wife's company, a report by auditors has revealed. Photo: Ashraf Hendricks Former Nationa...

SIU investigating dodgy Lottery grants worth over R1.4-billion

28 September 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) by the Special Investigating Unit has identified over R1.4-billion in dodgy Lottery grants. The former NLC board chair bought a Rolls Royce and a luxury home with L...

Former Lottery executive's pension frozen as corruption probe hots up

21 September 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission executive Phillemon Letwaba has been frozen. Photo: Ashraf Hendricks The Special Tribunal has frozen the R2.8-million pension of former National Lotteries Commission chi...

Leaked report sheds more light on the rot at Lottery-funded school

8 September 2022 | ARTICLE

By Anton van Zyl and Raymond Joseph

...National Lottery Commission Chairman (at the time) Alfred Nevhutanda, Deputy Minister of Co-operative Governance and Traditional Affairs Obed Bapela, and MEC Ishmael Kgetjepe. Photo supplied by Limpop...

New acting Lottery boss appointed

1 September 2022 | ARTICLE

Handwritten signature and initials in the bottom right corner. The signature appears to be 'Ry' and the initials 'AKR' are written below it.

By Raymond Joseph

...Commissioner of the National Lotteries Commission. October's appointment follows last month's sudden resignation of Thabang Mampane, only a few weeks before her second five-year term was due to expire...

National Lotteries Commission ignored warnings about corruption

1 September 2022 | ARTICLE

By Raymond Joseph

...Lottery has been plagued by corruption. Illustration: Lisa Nelson Recommendations in a damning report by audit firm SkX were ignored by the National Lotteries Commission (NLC). SkX's report was one o...

Lottery's Phillemon Letwaba resigns under a cloud

25 August 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission chief operations officer Phillemon Letwaba has resigned. Photo copied for fair use from NLC website. Embattled National Lotteries Commission chief operations officer Phil...

Lottery boss resigns with "immediate effect"

16 August 2022 | ARTICLE

By Raymond Joseph

...Commissioner of the Lottery for almost ten years. Massive corruption occurred during her ten-year term. NLC photo (fair use) The Commissioner of the National Lotteries Commission (NLC) has resigned "w...

Lottery swindle: the story so far

11 August 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board chair Alfred Nevhutanda's house taken from an estate agent's advert. (Copied for fair use) GroundUp has been investigating Lottery corruption since 2018. ...

Lottery boss suspended for the third time for suspected corruption

Handwritten signature and initials in the bottom right corner. The signature appears to be 'M' or 'N' followed by 'AKVR'.

5 August 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission chief operating officer Phillemon Letwaba has been suspended for a third time. He faces charges of corruption and contraventions of the law. Photo copied for fair use fro...

Lotteries executive was paid almost R1-million as a “performance bonus” – but he wasn’t even at work

3 August 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission was paid a “performance bonus” of nearly R1-million in a year when he wasn’t at work. Graphic: Lisa Nelson Phillemon Letwaba, chief operating officer of the National Lo...

Money for school pays for Lottery boss’s golf estate home

28 July 2022 | ARTICLE

By Raymond Joseph

...Commissioner of the National Lotteries Commission Thabang Mampane’s trust owns a house on the Pecanwood golf estate, bought with money from the national lottery. Photo from the Pecanwood website: http...

Lottery contractor gave millions towards ex-board chair’s mansion

14 July 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) between 2014 and 2021, according to an answer by NLC Commissioner Mapane to a parliamentary question posed by DA shadow minister for Trade, Industry and Competition...

Top Lottery exec to face new corruption inquiry

11 July 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission chief operating officer Phillemon Letwaba faces charges of corruption and contravening various financial acts. Photo copied for fair use from NLC website Last week, Nat...

A handwritten signature, possibly 'RJ', is written in the bottom right corner of the page. Below it, the initials 'AKVB' are written.

New information delays Lottery corruption report

7 July 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Archive photo: Ashraf Hendricks The Special Investigating Unit (SIU) has explained that new information has delayed its handing over of a report on corruption in the Nat...

SIU freezes mansion of former lottery chair

27 June 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board chair Alfred Nevhutanda's house is from an estate agent's advert. You can see Nevhutanda deliver a sermon from the balcony of the house in this YouTube video....

Parliament approves Lottery board chair shortlist

15 June 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Archive photo: Ashraf Hendricks The 18-month-long stop-start process to appoint a new National Lotteries Commission (NLC) board chairman took a major step forward on Wed...

Dodgy lawyer Lesley Ramulifho still doing work for Lottery

9 June 2022 | ARTICLE

By Raymond Joseph

...Lottery grants, lawyer Lesley Ramulifho has continued to supply legal services to the National Lotteries Commission (NLC). This was revealed in an arbitration award by Commission for Conciliation, Med...

Appointment of Lottery chair back on track

24 May 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission is to be submitted to Parliament. Graphic: Lisa Nelson The stalled effort to appoint a new board chairperson for the corruption-riddled National Lotteries Commission (NLC...



SIU making progress in lottery corruption probes

18 May 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission have been completed by the Special Investigating Unit. Illustration: Lisa Nelson The Special Investigating Unit (SIU) has completed more than a dozen investigations invol...

Yet another delay in appointment of a new Lottery boss

18 May 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission to replace Alfred Nevhutanda, whose term ended in October 2020. Archive photo: Raymond Joseph The process of appointing a new chair of the National Lotteries Commission (...)

Expiry of judges' contracts delays fight against corruption

17 May 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission, referred after that date. Matters lodged before 4 March have continued. The matter was finally rectified by a new Presidential Proclamation, which took effect on 1 May. ...

Pikitup, the pastor and the lost recycling depot

11 May 2022 | ARTICLE

By Ezekiel Kekana and Raymond Joseph

...National Lotteries Commission over a 12 month period, GroundUp has previously revealed. Companies and Intellectual Property Commission (CIPC) records revealed that seven of the eight grants to the syn...

Lotteries boss heads to court to stop corruption probe

11 April 2022 | ARTICLE

By Raymond Joseph

A handwritten signature in black ink, followed by the word "AKUR" written in a stylized, bold font.

...National Lotteries Commission COO Phillemon Letwaba has gone to court to have a forensic report into Lottery corruption declared illegal. This is the second attempt to stop a probe into alleged Lotter...

New board appointed to fix scandal-ridden Lottery

24 March 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board members a week before the term of the current board members expires. Among the four members appointed is Willie Hofmeyr, a former head of the National Prosecu...

Lotteries Commission goes to court to force minister to appoint new board

23 March 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission expires on 31 March. Archive photo: Ashraf Hendricks
The National Lotteries Commission has applied for an urgent court order to force Minister of Trade and Industry Ebra...

Lottery money funded the board chair's luxury private estate

17 March 2022 | ARTICLE

By Raymond Joseph

...Lottery grants contributed millions of rands, directly and indirectly, to help pay for a lavish R27-million mansion for former National Lotteries Commission (NLC) board chairperson Alfred Nevhutanda. ...

Hawks swoop on Northern Cape Lottery offices after whistleblowers' tip-offs

11 March 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission in Kimberley and the home of the Commission's Northern Cape deputy head and her live-in partner, who is the provincial legal officer. The early morning raid followed a ti...

Ebrahim Patel moves to fire Lotteries board

8 March 2022 | ARTICLE

By Raymond Joseph

...National Lottery Commission Board with immediate effect". Addressing an in-person session of the National Assembly remotely — see from 3.00 minutes — Patel said the NLC had "failed to ensure proper ad...

Lotteries boss Phillemon Letwaba is back at work after being cleared by internal hearing

8 March 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission, has been cleared in an internal disciplinary hearing into allegations that he abused his position to enrich himself and his family. Photo copied for fair use from NLC we...

Deadline for nominations to National Lotteries Commission board

7 March 2022 | ARTICLE

By Masego Mafata and Raymond Joseph

...national lottery and oversees the distribution of a percentage of lottery proceeds for the benefit of society. But, during the incumbent board's term, GroundUp has reported on massive fraud and corrup...

Network of corruption exposed in Lottery probe

3 March 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC), his family and two former board members, and hijacked non-profits and shelf companies were laid bare by the Special Investigation Unit (SIU) in a presentation to P...

Court grants order on dodgy multimillion rand Lottery grant

17 February 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. The SIU has been investigating multiple cases of corruption involving multi-million rand lottery grants, which are expected to come to a head in the next few months. Man...

National Lotteries Commission board is no longer quorate

Handwritten signature and initials in the bottom right corner of the page.

9 February 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission board is no longer quorate. Archive photo: Ashraf Hendricks With only three members left, the National Lotteries Commission board is no longer quorate. This follows the ...

Judge dismisses Lottery bid to have corruption probe declared "unlawful"

8 February 2022 | ARTICLE

By Raymond Joseph

...commissioned a probe into corruption and maladministration at the National Lotteries Commission. The findings of the initial investigation have already been handed to the Hawks. The Lottery went to co...

Fowl play! Lottery board member received millions linked to Lottery grants

7 February 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission board member William Huma. Photo: Raymond Joseph William Huma is a former board member of the National Lotteries Commission (NLC). A months-long investigation, in which ...

Suspended Lottery boss faces disciplinary hearing

20 January 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission, is finally facing disciplinary action. Photo copied for fair use from NLC websiteA disciplinary hearing into the conduct of the suspended National Lotteries Commission (...)

What happened to the Lottery money paid to fund games for intellectually impaired athletes?

11 January 2022 | ARTICLE

By Raymond Joseph

...National Lotteries Commission for a Bloemfontein event for disabled athletes has not been accounted for. Archive photo: Ashraf Hendricks R25 million of a National Lotteries Commission (NLC) grant to t...

A handwritten signature, possibly 'M', is written above the initials 'AKVR' in the bottom right corner of the page.

Secrecy surrounds R80 million in Lottery funding for sports project

9 December 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) gave R80 million to sports projects in which politically connected businessman Solly Siweya was involved. But there is very little to show for the money. The commis...

MPs demand update on Special Investigation Unit's Lottery probe

8 December 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Archive Photo: Ashraf Hendricks Members of Parliament have asked that the Special Investigation Unit give a detailed progress report on its investigations into alleged c...

The minister, the Lottery boss and the luxury R5.6 million home

29 November 2021 | ARTICLE

By Raymond Joseph and Masego Mafata

...Lottery funding and which has no apparent link with Upbrand. Mbalula has distanced himself, through his spokesperson, from the purchase of the house. Suspended National Lotteries Commission chief op...

Lottery boss suspended as corruption probe heats up

8 October 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission, Phillemon Letwaba, has been suspended. Archive photo: Ashraf Hendricks National Lotteries Commission COO Phillemon Letwaba has been suspended, after a recommendation fr...

Television pastor and her cronies rake in millions in Lottery grants

9 September 2021 | ARTICLE

By Raymond Joseph

...Lottery funding, most of it in just 12 months. We have not been able to establish what the money granted by the National Lotteries Commission (NLC) was used for. But seven of the eight grants to the s...


AKWR

Threat to journalist investigating Lottery corruption

30 August 2021 | ARTICLE

By Raymond Joseph

...Lottery grants and who has close links to the National Lotteries Commission (NLC) - contacted Nengovhela. He then sent a WhatsApp voice message, asking him to "stop harassing this organisation". You...

Millions in Lottery funds spent on one-night "music and arts festival"

10 August 2021 | ARTICLE

By Mkhusele Sizani and Raymond Joseph

...National Lotteries Commission to the tune of R4.8 million. Photo via Facebook.
The National Lotteries Commission spent R4.8 million on a one-night concert and two-week workshop in 2018. Participants ...

Lottery COO back at work after 17-month "leave of absence"

26 July 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission/Facebook National Lotteries Commission's COO
Philemon Letwaba has returned to work after a lengthy "leave of absence" since early 2020.
He went on "leave" in February la...

Minister of Justice's law firm bungled lottery corruption probe

21 July 2021 | ARTICLE

By Raymond Joseph and Anton van Zyl

...Commission between 2016 and 2020. Three forensic reports compiled by a high-profile firm of attorneys commissioned by the National Lotteries Commission to investigate corruption with Lottery funding...

Dr Tumi, the Lottery and the alleged fraud of R1.5 million

10 June 2021 | ARTICLE

By Anton van Zyl and Raymond Joseph

Handwritten signature and initials in the bottom right corner of the page. The signature appears to be 'RZ' and the initials 'AKUR'.

...Lottery-funded projects and people with links to the area. Dr Tumi - Tumisang Victor Makweya (30) - along with his wife and four other suspects - is accused of defrauding the National Lotteries Commis...

Lottery fast tracks R500,000 grant for Simphiwe Dana's extravaganza

10 May 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) awarded a half-a-million rand grant to a brand new nonprofit company just two weeks after it was registered, to help pay for a music extravaganza staged by acclaime...

Lottery spends millions fighting former employees

28 April 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has spent millions of rands fighting legal battles against former employees. Archive photo: Raymond Joseph
The National Lotteries Commission has, since 2016, spent over R...

Litigious Lottery spends millions of rands on lawyers

22 April 2021 | ARTICLE

By Raymond Joseph

...National Lottery Commission's expenditure on legal fees. Archive photo: Ashraf Hendricks
An answer to a question in Parliament reveals that the National Lotteries Commission (NLC) has spent tens of m...

NLC Commissioner misleads Parliament – again

9 April 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission while projects associated with him also got tens of millions in Lottery grants. Archive photo supplied. Last year Thabang Mampane, the Commissioner of the National Lotte...

Minister and Lottery board "at war" over new chair

31 March 2021 | ARTICLE

A handwritten signature, possibly 'Mf', is written above the initials 'AEWR'.

By Raymond Joseph

...National Lotteries Commission are at loggerheads over the appointment of a new chair. Archive photo: Ashraf Hendricks Members of the National Lotteries Commission (NLC) board have objected to Trade a...

Marius Fransman, the Cape minstrels and the Lottery millions

25 March 2021 | ARTICLE

By Raymond Joseph

...lottery grant to campaign for the ANC. A recent answer by the National Lotteries Commissioner in Parliament indicates that over R13 million of a lottery grant to a Cape minstrel organisation was spent...

Minister Patel deals lottery corruption a blow

19 March 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Archive photo: Ashraf Hendricks The National Lotteries Commission (NLC) has been using a regulation of the Lotteries Act to justify not making information about grant r...

MPs row over Lottery board selection

12 March 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission's board's chairperson. Archive photo: Ashraf Hendricks Parliament's Trade Industry and Competition Portfolio Committee met on Friday to shortlist candidates for the chai...

Lottery millions used for board member's luxury home

3 March 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) board member, by an organisation that received an NLC grant. The organisation had been dormant for 15 years but nevertheless was awarded R27 million by the NLC. Pay...

Parliament shortlists eight candidates for Lottery chair

A handwritten signature, possibly 'Ray', is written in the bottom right corner. Below it, the initials 'AKJL' are written in a similar cursive style.

26 February 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. The vacancy opened up after the 11-year scandal-ridden tenure of former chairperson Alfred Nevhunda ended on 30 November. Zandile Brown, who represents the Trade, Indust...

Appointment process of new Lottery board chair restarts

24 February 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has restarted, with a shortlist to be drawn from 38 candidates. Archive photo: Ashraf Hendricks The process of appointing a new chair for the National Lotteries Commissi...

Lotto's R26 million half-built Limpopo old age home

28 January 2021 | ARTICLE

By Anton van Zyl, Tshifhiwa Mukwevho and Raymond Joseph

...National Lotteries Commission to construct an old-age home in rural Limpopo. The home is half-built and seemingly abandoned, with no visible progress in two years. Local residents say a clinic or a re...

Lottery boss misled Parliament

11 January 2021 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) awarded a multimillion-rand grant to establish the facility. Yet NLC Commissioner Thabang Mampane's told Parliament in writing in late 2020 that the museum had offi...

Lottery whistleblower "pressured" to pay IT company to build athletics track

18 December 2020 | ARTICLE

By Raymond Joseph

...Lottery money. The company, Unicus Solu(IT)ons, did not build the track, and Khoza's own company had to do so. Unicus also did not pay back the money. Khoza says she reported this to the National Lott...

A handwritten signature, possibly 'Nkomo', is written in the bottom right corner of the page. Below it, the word 'Done' is written in a similar handwritten style.

Lottery millions splurged on glitzy award ceremonies

17 December 2020 | ARTICLE

By Raymond Joseph

...Lottery funding in the 2018/2019 financial year, and R2 million and R292,300 respectively in August and November 2019. The company also received a R100,000 grant from the National Lotteries Commission...

Recipient of R7m in Lottery money won't say what it's for

10 December 2020 | ARTICLE

By Raymond Joseph

...Lottery. But neither the company nor the National Lotteries Commission will say what the company does or what projects were funded by the Lottery. Prominent businesswoman Carol Bouwer is one of three ...

SIU and Hawks swoop on National Lotteries Commission

8 December 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Photo supplied The Hawks and the Special Investigating Unit swooped on the offices of the National Lotteries Commission (NLC) and Metrofile, a document storage company, ...

Appointment of new Lottery board chair delayed by three more months

3 December 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission board as acting chairperson, after the scandal-ridden former chairman's tenure ended on the last day of November. The appointment of Zandile Brown as acting board chairpe...

Legal opinion scuttles appointment of new Lottery chair

23 November 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission board before 1 December, when the current chair's term ends. Archive photo: Ashraf Hendricks A new chair of the National Lotteries Commission is supposed to be appointed...

A handwritten signature in dark ink, followed by the initials 'AKR' in a stylized, cursive font.

Lottery threatens legal action against Minister Ebrahim Patel

19 November 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has sent Minister Ebrahim Patel a letter of demand.

Archive photo: Ashraf Hendricks Lawyers acting for the National Lotteries Commission (NLC) have threatened to take Min...

Big names shortlisted for Lottery chair

18 November 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission be able to fix the rot? Archive photo: Ashraf Hendricks A shortlist of three candidates for the soon-to-be-vacant chair of the National Lotteries Commission (NLC) has bee...

The woman who tried to stop the rot at the Lottery

18 November 2020 | ARTICLE

By Sam Sole for amaBhungane and Raymond Joseph for GroundUp

...National Lotteries Commission's chief risk officer flagged key governance issues that have since come back to haunt the commission. Instead of being heard she was hounded out and the report was buried...

Ramaphosa gives green light to Lottery probe

9 November 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission between 2014 and 2020. Photo: Ashraf Hendricks President Cyril Ramaphosa has signed a proclamation authorising the Special Investigating Unit to probe alleged corruption...

NLC boss tells Parliament non-existent R13 million minstrel museum has been completed

2 November 2020 | ARTICLE

By Raymond Joseph



...National Lotteries Commission head Thabang Mampane has responded to Parliamentary questions about some lottery grants. In the reply she lists three projects for the Cape Town minstrels funded by the l...

Hawks set up special team to investigate Lottery corruption

29 October 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Photo: Ashraf Hendricks A senior officer has been removed from a newly-formed Hawks task team set up to probe the Lottery after it was discovered that her policeman husb...

Lottery boss paid almost R2 million to stay at home

27 October 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has earned R265,000 a month since he was placed on “special leave” in March. Archive photo: Ashraf Hendricks National Lotteries Commission COO Phillemon Letwaba has been...

MP tries to exclude public from meeting on appointment of new Lottery chair

26 October 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Archive photo: Brent Meersman Parliament is appointing a new chair of the National Lotteries Commission (NLC). The term of Alfred Nevhutanda, the scandal-ridden chair, ...

Millions in Lottery money spent on football exhibition with limited public access

9 October 2020 | ARTICLE

By Zoë Postman and Raymond Joseph

...National Lotteries Commission (NLC) allocated almost R14.5 million between 2014 and 2016 in Lottery funds to what it described as a “football museum” - in reality a large exhibition showing South Afri...

Call for transparency in appointment of new Lottery boss

8 October 2020 | ARTICLE



By Raymond Joseph

...National Lotteries Commission chairman Alfred Nevhutanda has been dogged by controversy. Photo: Ashraf Hendricks Corruption Watch has called on Trade, Industry and Competition Minister Ebrahim Patel ...

Lottery executive could face probe by accountants' oversight body

23 September 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission, Phillemon Letwaba. Photo: Ashraf Hendricks Phillemon Letwaba, chief operating officer of the National Lotteries Commission, has breached the code of conduct of the Sout...

"Scandal-ridden" Lottery board chairman to leave in November

17 September 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC), Professor Alfred Nevhutanda. Photo from NLC Facebook page The current chairperson of the National Lotteries Commission, Professor Alfred Nevhutanda, has been embr...

Lotto millions used for minor renovations to stadium

10 September 2020 | ARTICLE

By Anton van Zyl and Raymond Joseph

...National Lotteries Commission (NLC) Chief Operating Officer Phillemon Letwaba. The investigation by GroundUp and Limpopo Mirror has found that the stadium supposedly funded by the Lottery was in fact ...

Patel hands evidence in lottery probe over to police

2 September 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission COO Phillemon Letwaba are under investigation. Evidence into the investigation into dodgy Lottery grants has been handed to police, parliament was told yesterday Departm...

Lotteries Act regulations to face legal challenge



7 August 2020 | ARTICLE

By Raymond Joseph

...National Editors' Forum and Media Monitoring Africa are challenging parts of the Lotteries Act in court. Archive photo: Ashraf Hendricks Regulations in the Lotteries Act that the National Lotteries Co...

Millions of rands in lottery funding for mysterious music festival

29 July 2020 | ARTICLE

By Marecia Damons and Raymond Joseph

...lottery money. The National Lotteries Commission has refused to explain. The National Lotteries Commission (NLC) has given more than R15 million in funding to a dormant organisation in rural Limpopo...

Lottery bows to pressure and releases grant details

28 July 2020 | ARTICLE

By Raymond Joseph

...lottery grants has finally been made available to Parliament. We link to the list below. After months of ducking and diving, the National Lotteries Commission (NLC) has given in to growing pressure an...

OUTA lays fraud and racketeering complaint over Lottery grants

28 July 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission management and board. But will there be arrests? Photo via Flickr user MIKE (CC BY-NC-ND 2.0) Organisation for Undoing Tax Abuse (OUTA) has laid criminal complaints of r...

Parliament to order National Lotteries Commission to hand over details of all its grants

15 July 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission to immediately submit details of all recipients of Lottery grants. The Committee also resolved, during an online meeting on 15 July, to summons the NLC to appear before i...

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Ebrahim Patel says names of lottery-funded organisations should be made public

1 July 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission must be made public. Archive photo: Ashraf Hendricks Minister of Trade and Industry Ebrahim Patel has made it clear in a reply to Parliament that he believes the National...

Government investigates lottery

29 June 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. Archive photo: Ashraf Hendricks The Department of Trade, Industry and Competition (DTIC) has commissioned an independent investigation into multimillion-rand Lottery-fun...

Hijacked organisation gets millions in Lottery grants

22 June 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission. The photo was taken at the end of May. The National Lotteries Commission paid R22.5 million to an organisation called WAR_RnA to build an old age home. The organisation...

Lottery fails to name beneficiaries of multimillion-rand Covid-19 fund

11 June 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has failed to disclose its list of beneficiaries. Archive photo: Raymond Joseph An MP asked the National Lotteries Commission (NLC) for details on how it distributed R15...

NPA declines to prosecute Lottery looter

3 June 2020 | ARTICLE

By Raymond Joseph

...National Prosecuting Authority has decided not to prosecute two criminal complaints of fraud linked to a Lottery-funded drug rehabilitation centre. Archive photo: Raymond Joseph The National Prosecuti...

 AKR

Lottery throws millions more at dodgy projects

25 May 2020 | ARTICLE

By Raymond Joseph and Anton van Zyl

...National Lotteries Commission paid out millions of rands more in grants to organisations already involved in questionable, unfinished Lottery-funded projects. This is revealed in a leaked list of paym...

Covid-19: Minister puts a stop to lottery ticket sales

25 April 2020 | ARTICLE

By Raymond Joseph

...Lottery was launched in South Africa almost two decades ago. Patel, who has oversight over the Lottery, said he had told officials from his department to instruct the National Lotteries Commission (NL...

Covid-19: You can't buy warm food, but you can buy Lottery tickets

24 April 2020 | ARTICLE

By Raymond Joseph

...lottery play in South Africa," the NLC said in a statement on 3 April. This, it said, would enable Lottery operator Ithuba to deliver "the National Lottery to South Africans, while observing the regul...

Dodgy off-the-shelf companies cash in on Lottery millions

10 April 2020 | ARTICLE

By Raymond Joseph

...Lottery's Arts, Culture and National Heritage sector. Mbhonyaponya's new directors were appointed on 26 April 2017, and it received R600,000 on 27 March 2018, from the Lottery's Sports Sector 11 mon...

Lottery was warned in 2014 about fraud – and yet it continued

3 April 2020 | ARTICLE

By Raymond Joseph

Handwritten signature and initials in the bottom right corner of the page. The signature appears to be 'RJ' and the initials 'AKVR'.

Several measures recommended in 2014 to stop dodgy, often fraudulent, applications for Lottery funding appear not to have been implemented, a GroundUp investigation has found. So serious had the probl...

Lottery officials fibbed about clean audits

13 March 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission has been forced in Parliament to retract its regularly-stated claim that it has received several years of clean audits from the Auditor-General. Its latest claim of six y...

The Lottery and the missing minstrel museum

21 February 2020 | ARTICLE

By Raymond Joseph

...Lottery used to be called the National Lotteries Board. It changed to the National Lotteries Commission (NLC) in 2015. We have used the word Lottery to keep things simple. Note that this is not Ithuba...

Lottery paid millions of rands to COO's wife's company

28 January 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission is a director received R4.8 million from the Lottery in 2017. The grant was awarded to Zibsimanzi, a non-profit company. This was within months of Rebotile Malomane, the ...

Member of Parliament calls for Lottery board to be fired

23 January 2020 | ARTICLE

By Raymond Joseph

...National Lotteries Commission under administration, fire its board and suspend its Chief Operating Officer, in the light of ongoing revelations of fraud, corruption and nepotism involving multi-millio...

Money from Lottery goes to cousin of National Lotteries Commission boss

20 January 2020 | ARTICLE

A handwritten signature in grey ink, followed by the initials 'AKR' in a similar style.

By Raymond Joseph

...National Lotteries Commission. According to leaked bank statements, R2 million was paid to Upbrand Properties by I Am Made For God's Glory (IAM4GG), which received a R11,375,000 grant from the Lottery...

Is the National Lotteries Commission countering media exposés with advertising?

17 December 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission in the Mail & Guardian in December 2018. The school sounds exactly like the kind of thing that money raised by the sale of Lottery tickets should be spent on. Except ...

Mystery Limpopo outfit gets multi-million rand Lottery contract for old age home in Mpumalanga

6 December 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission to build an old age home - in Mpumalanga. And more than two years after the NLC approved the grant for the home, the project is still not finished. It has been plagued by...

Lottery hides its beneficiaries following corruption exposés

4 November 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) has failed to publish details of organisations it has funded in its 2019 Annual report. For the past 18 years it has made the list of beneficiaries available, eithe...

How to buy your dream house using public money

31 October 2019 | ARTICLE

By Raymond Joseph

...National Bank account, which he had effectively hijacked and used to apply for funding from the Lottery, to reactivate it. Just over two weeks later, on 19 October 2016, the National Lotteries Commi...

The Lottery COO and the mysterious payments

A handwritten signature in black ink, appearing to be 'AKVR' or similar, located in the bottom right corner of the page.

25 October 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) is sole director, appears to have deposited money four times into the account of a controversial non-profit organisation (NPO) that has received millions in Lottery...

How a lawyer used a Lottery-funded project as his personal ATM

22 October 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) to the tune of over R27.5 million. Ramulifho and Liesl Moses, an employee at Ramulifho's legal practice, who is also the mother of his child, are both signatories o...

Lottery whistleblower pays a high price

19 September 2019 | ARTICLE

By Raymond Joseph

...Lottery grants An earlier investigation by Gaming the Lottery, an international investigation into the worldwide Lottery industry, revealed how Lottopreneurs were using conduits to access multi-millio...

Ebrahim Patel recommends criminal case in Lottery debacle

6 September 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission to pursue a "criminal case" in connection with a controversial R27.5-million Lottery grant awarded to construct a drug rehabilitation centre near Pretoria. The money was ...

Lottery-funded rehab centre unfinished after two years

12 August 2019 | ARTICLE

By Raymond Joseph

...Lottery-funded old age home in Kuruman, is still incomplete despite receiving R17 million in proactive funding from the National Lotteries Commission (NLC) almost two years ago. The first tranche of R...

The Lottery-funded library with empty shelves

7 August 2019 | ARTICLE

By Raymond Joseph

...Lottery series Part one: Conflicts of interest and incomplete projects Part two: Kuruman's unfinished R23 million old age home Part three: The Lottery-funded library with empty shelves Part four: Lot...

Kuruman's unfinished R23 million old age home

5 August 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) Chief Operating Officer (COO) Phillemon Letwaba are involved in multimillion-rand Lottery-funded projects in Kuruman in the Northern Cape. The companies are PKT Con...

Conflicts of interest and incomplete projects: How Lottery money is being spent

1 August 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC). Our research uncovers what is possibly only a fraction of the questionable grants involving Lottery money. Over the next week, we will publish stories describing h...

Lottery admits it's investigating projects it defended

16 May 2019 | ARTICLE

By Raymond Joseph

...National Lottery Commission (NLC) has done a complete about face and now says that it is investigating both of them. The one project is a drug rehabilitation centre in Pretoria and the other is a scho...

Probe into fraud and corruption at National Lotteries Commission

13 May 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission (NLC) following allegations of fraud and corruption involving grant allocations to "good causes". The investigation by the Department of Trade and Industry (DTI) follows ...



AKJR

Lottery's promise of toilets leaves a nasty smell

3 May 2019 | ARTICLE

By Anton van Zyl, Bernard Chiguvare, Kaizer Nengovhela and Raymond Joseph

...National Lotteries Commission (NLC) for the “construction of ablution facilities”. It is one of ten rural schools in Limpopo and 15 in the Eastern Cape, many with only pit toilets, selected as recipie...

Lottery has to do more with less

21 March 2019 | ARTICLE

By Raymond Joseph

...National Lotteries Commission says it has to “do more with less” as demand for funding outstrips revenues. According to the Commission’s latest Strategic Plan, it distributes about R2-billion a year t...

Lottery gives out more money to associates of controversial lawyer

19 March 2019 | ARTICLE

By Raymond Joseph

...Lottery funding. Dinosys signed a R10-million contract with the Lottery in November 2018 for the “construction of sanitation facilities” at 15 schools. Both the Lotteries Commission and Liesl Moses, t...

The Lawyer, the Lottery and millions in dodgy grants

14 December 2018 | ARTICLE

By Raymond Joseph

...National Lotteries Commission falls. It also claims that Ramulifho has done work for the National Lotteries Board (NLB), the predecessor to the NLC. Ramulifho is no stranger to controversy. He has pre...

How a hijacked organisation scored millions from the Lottery

22 November 2018 | ARTICLE

By Raymond Joseph and Anton van Zyl



...National Lotteries Commission (NLC). But when Tshikalange visited the bank and asked for printouts of statements, she was refused because, according to the bank's records, she was no longer a signator...

Lottery money goes to waste as school falls apart

5 October 2018 | ARTICLE

By Kaizer Nengovhela and Raymond Joseph

...Commission had claimed to be the sole funder of the project, "Tshisimba" said:

"The Lottery has not given you the right information."

The National Lotteries Commission said it was "unaware" of any oth...

Living on a lottery prayer

1 March 2018 | ARTICLE

By Roxanne Joseph and Raymond Joseph

...commissioned by the National Lottery Commission (NLC) found that many people who play the lottery cannot afford it and even give up household necessities to buy tickets. Some people, based on their in...

West Coast Fossil Park: A lottery success story

22 February 2018 | ARTICLE

By Roxanne Joseph and Raymond Joseph

...Lottery. It is only once you walk out of the fairly nondescript parking lot and step onto the pathway leading to the newly renovated museum, that you can appreciate how the National Lottery Commission...

SPCA dropped by Lottery

21 February 2018 | ARTICLE

By Roxanne Joseph and Raymond Joseph

...National Lottery Commission (NLC). But in 2017 that funding was cut after the NLC announced a shift in its focus to poverty relief, leaving the SPCA and other animal welfare organisations scrambling t...

Lottery: R6 billion for sport, only R2.8 billion for education

20 February 2018 | ARTICLE

A handwritten signature, possibly 'AKUR', is written in the bottom right corner of the page.

By Roxanne Joseph and Raymond Joseph

...National Lottery Commission (NLC) first started allocating grants in 2002, sport has received R6 billion compared to the R2.8 billion given to 5,768, mostly public schools during the same period. When...

How the Lotto money is spent

19 February 2018 | ARTICLE

By Roxanne Joseph and Raymond Joseph

...National Lotteries Act. A percentage of the weekly proceeds are paid over by the licensed lottery operator – appointed every seven years and currently Ithuba - to the National Lottery Commission, whic...

A handwritten signature, possibly 'RJ', is written in the bottom right corner. Below it, the initials 'AKJR' are also handwritten.



NLC Responds to Raymond Joseph's facetious allegations

Date: 22 March 2019

The National Lotteries Commission has noted with great concern a frivolous report authored by Raymond Joseph. The report was first published on GroundUp and further syndicated to other media houses.

The report insinuates that the NLC has been awarding grants to associates of Mr Lesly Ramulifho.

The NLC dismisses this mischievous personal vendetta that is disguised as journalism with the contempt it deserves. We have been reiterating to Raymond Joseph, for quite some time now, that the NLC do not fund individuals but, Non-profit making entities that are doing work to uplift communities. Joseph has consistently ignored this basic policy and founding principle of the NLC.

The attacks continue despite the NLC inviting Raymond Joseph on several occasions, with the intention of clarifying the NLC processes and procedures to better equip him to write accurate media articles on the NLC and its beneficiaries. Suffice to say, Joseph continues to rely on inaccurate, and unlawfully obtained and processed information that continue to mislead the public.

Joseph has been on a crusade to tarnish the image of the NLC. Out of this the NLC can today reveal that Joseph has been conniving with Ado Krige. Krige is a service provider to Denzhe Primary Care on a drug rehabilitation project the NLC funded. Ramulifho is a member of Denzhe Primary Care. Krige and Ramulifho have since been in conflict and they are seeking resolution before the courts. The NLC would like to make it categorically clear that the conflict between Ramulifho and Krige has got nothing to do with the organization but affecting the implementation of a funded project.

We are now aware that in all his communication Krige copied Raymond Joseph. This brings to question the credibility of Joseph's journalism and ethics. Joseph must explain to us why he is part of Krige's attempt to blackmail and extort money from the NLC. We have email proof to which Joseph even responded. The NLC take a dim view on Joseph's silly insinuation that grants are awarded to Ramulifho's associates. The NLC has got policies and procedures on grant



adjudication and allocation as stated in the Lotteries Act and wishes to reiterate that due process has been complied with in the appointment of implementing entities for the execution of the projects he refers to.

DINOSYS NPC AND ZIBSIFUSION NPC

These projects were funded because of challenges experienced by the schools in the rural parts of Eastern Cape and Limpopo where the disadvantaged communities still struggle with the basic right to sanitation. The cases of Lumka Mthetwa in the Eastern Cape who was a Grade R pupil aged 5 years, living in Mbizana, Eastern Cape of Luna Primary School and Micheal Komape also 5 years old of Mahlodumela Primary School in Limpopo, who tragically passed away in 2014 and 2018 respectively because of the inhumane conditions of the “pit toilets” in their schools. As a result of the empowering provisions of the Lotteries Act 57 of 1997, as amended which permits direct intervention in the form of pro-active funding, the NLC saw it fit to intervene and respond to this worthy good cause.

The NLC has funded the construction of ablution facilities in ten (10) schools within the jurisdiction of the most disadvantaged communities in our country with the intention of restoring the dignity of the young black children in post democratic South Africa. To this end the NLC has appointed professional, independent engineers to assist in the quality assurance of these projects and the monitoring and evaluation thereof. The progress reports depicting work done to date in all schools within the aforementioned provinces are attached hereto for ease of reference.

We assure the Public and our beneficiaries that the NLC remains committed to clean governance and all allegations of misuse of funds by the beneficiaries are taken seriously and investigated thoroughly.

Issued by:

Ndivhuho Mafela

Head: Stakeholder Relations, Marketing and Communications

National Lotteries Commission

012 432 1330 / 082 737 8370

Email: Ndivhuhom@nlcsa.org.za



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



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

Media Statement

2 July 2020

For immediate release

NLC Response to the Continued Smear Campaign by GroundUp

The reports by Groundup published online and subsequent interviews on the 1st and 2nd of July 2020 show that Groundup is intent in its campaign to discredit the National Lotteries Commission (NLC) and its people. The ongoing and false smear campaign against the NLC is that the distribution of funds to NPOs and a vast range of charities is corrupt and self-serving. This is grossly false and defamatory. The campaign by Groundup is aimed at harming the NLC.

Groundup harps upon the problems that have arisen in a small minority of grant-funded NPOs and communities. They are fully aware that independent investigations into these matters are at an advanced stage and that the NLC is in full cooperation. They are fully aware that these matters which they recycle on a weekly basis constitute less than 3% of NLC grant funding yet they conflate that to 30% and say the NLC is totally corrupt and a captured organization. This is a smear campaign using inflated figures in a sensationalistic manner. The NLC has hard evidence which is being brought before the courts and the Press Council.

Not only is Groundup using the tactic of daily climate creation in respect of these cases and pre-judging them before their adjudication is complete, but they are using their foregone conclusions to attack the NLC and its members before adjudication has taken place.

The attempt to depict a cleavage between the NLC and the Minister of Trade, Industry and Competition is simply an act of mischief. The debate with regards to the publication or prohibition of beneficiary information will be determined by a court in the coming week. This has constrained the NLC to discuss the merits of this issue.

The implication of this ongoing smear is the perception that the vast bulk of NLC distributed funds do not go to NPOs to help good causes and that the organisation is corrupt. Groundup and Raymond Joseph tar all the good work of the Distribution Agencies (who are

CHANGING LIVES

Board Members: Ms A Brown (Minister's Representative), Ms D Dondur, Prof YN Gordhan, Adv WE Huma
Dr MA Madzivhandila, Prof NA Nkhutanda (Chairperson), Adv Nompumelelo Nene (Company Secretary)

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

AKUR



independently appointed by the Minister) with the same brush in respect of odd cases which the NLC is fully engaged in investigating and rectifying.

The NLC calls up on Groundup and its reporter to cease their campaign of vilification with sensationalized retreated reports.

Ends.

Issued by:

National Lotteries Commission



Follow-up meeting on SIU investigation into allegations of maladministration and corruption at NLC; Introduction of NLC Chairperson and Board, with Minister

This premium content has been made freely available

Trade, Industry and Competition

27 September 2022

Chairperson: Ms J Hermans (ANC)

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Meeting Summary

Video

SIU Proclamation

The Committee met on a virtual platform to receive a briefing from the Minister of Trade, Industry and Competition, the Special Investigating Unit, and the board of the National Lotteries Commission, following the investigation into allegations of maladministration and corruption at the Commission.

The Portfolio Committee had agreed that once the Special Investigating Unit had submitted the Phase One report to the Presidency, it would provide a further briefing to the Committee. As the report was to be submitted by the end of October, and the investigation had extended far beyond the original scope, the Unit presented a status report on its investigations. The meeting also provided the Minister with an opportunity to introduce the new board to the Committee, especially the new chairperson who assumed the position on 1 September 2022. Following the resignation of the National Lotteries Commissioner and the Chief Operating Officer, an Acting Commissioner was appointed.

The SIU presented specific details of the corruption uncovered and the movement of the money, noting the involvement of "the NLC hijacking kingpins", close family members, attorneys, conveyancers and non-profit organisations involved in the scams. Some of the money went into purchasing property, including a R27 million house for the former board chairperson and a house for the former Commissioner. The former chairperson also purchased a Rolls Royce costing R6.3 million. The total value under investigation currently was R1.4 billion. A civil litigation process was underway to review and set aside the grant funding contracts of all the non-profit organisations that had contributed towards the sale of the property purchased for the benefit of the former chairperson. Nine properties had been identified for preservation and that process was at an advanced stage. The SIU was convinced the investigation would stand up to any scrutiny. Those involved in corruption in the Commission used various means to enable the movement of funds to private accounts, including trust accounts and a computer system that could not detect different applications for grant funding made by one individual. The main enabler was a mechanism introduced in 2015 called Proactive Funding, which allowed the Commission to identify and fund projects without receiving an application for a grant in consultation with its board. That measure enabled industrial-scale looting of Lottery funds meant for good causes. The SIU provided a number of recommendations for addressing the situation in the Commission, including a lifestyle audit.

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The newly appointed chairperson of the National Lotteries Commission board indicated some of the avenues that the board would be taking, but mostly, he reassured the Committee of the commitment of board members to clean governance and that they were not going to allow guilty parties to go free. Some of the actions the board was considering included implementing integrity measures; a review of the pro-active funding programme; a wider investigation beyond the proactive funding projects, to include all contracts by the Commission and all channels through which payments were made, as well as investigations into the activities of the regional offices. The board would offer support for whistle-blowers who were threatened or dismissed, and it would address the position of communities or organisations that were deprived of the support for which the funding was designed.

Members had many questions for the SIU. How much had it managed to recover through civil litigation to date? Were any individuals implicated in alleged corruption or maladministration still in employment at the National Lotteries Commission? What was the total number of officials, board and executive members involved? What charges, if any, would be laid against the organisations and individuals with fiduciary responsibility? What charges would be levelled against the conveyancing attorneys and law firms implicated in the looting? Was there a database to prevent individuals who might have escaped the net, but were implicated and had resigned from being employed in other government departments? Why were the same matters being investigated over and over with the resources that were supposed to be allocated to good causes? How much money had already been paid to the investigators to date?

There were also questions to the Minister. Had there been a proper process of vetting the new board members and checking that they were fit and proper to execute that duty? Did the Minister regret some of his own inaction around the conduct of the Commission? In hindsight, and knowing what everyone now knew, did the Minister believe that the ANC and Members of Parliament had failed in their duty to hold the Commission accountable? How much had the Department/ministry and the Commission spent respectively on legal action against one another? Had the Minister informed other companies where former board members still served on boards of the allegations they faced?

The National Lottery Commission was asked if it had a monitoring and evaluation mechanism in place to ensure that the funding went where it was intended to go and had the intended social impact. When was the board planning to fill the executive vacancies in the Commission?

1. Meeting report

Opening Remarks

The Chairperson invited the Minister of Trade, Industry and Competition (dtic) to make opening remarks and to introduce the newly appointed National Lotteries Commission (NLC) board, after which the Special Investigating Unit (SIU) would make a presentation. The investigations into NLC activities were prompted by the Presidential Proclamation of 6 November 2020 for the period 1 January 2014 to 6 November 2020. The investigation was intended to establish whether there was maladministration of the National Lottery Distribution Trust Fund and allocation of money from the fund to people who were not entitled to it. That would be followed by further comments by the Minister and the dtic and, only after all presentations, would Members be invited to pose questions.

The Chairperson noted that the Portfolio Committee had previously agreed that once the SIU had submitted the Phase One report on the NLC to the Presidency, it would provide a further



A handwritten signature, possibly 'M', is written in dark ink. Below and to the right of the signature are the handwritten initials 'AKUR'.

briefing on the report. The purpose of the day's meeting was to receive a status report from the SIU on its investigations into allegations of corruption at the NLC.

Opening remarks by the Minister of Trade, Industry, and Competition

Minister Patel said that he intended to present the work done to deal with some of the serious allegations that the Committee had been aware of involving the National Lotteries Commission. He introduced the DTIC team with him: led by the Acting DG, the members of the dtic team included the Chief Audit Executive, the persons responsible for the work in the branch dealing with the NLC, the Chief Operating Officer, Ms Nontombi Matomela and Adv Andy Mothibi, the Head of the SIU, and his team were also present.

Minister Patel stated that the current Committee meeting was the first for the new NLC board. The new chairperson of the board was Professor Barney (NB) Pityana. As chairperson of the board, he would address the Committee shortly. The Minister noted that he was one of three persons nominated by the Portfolio Committee to become chairperson of the NLC. Members of the board included persons well known to the Committee: Dr Cassius Lubisi, who previously served as the Secretary of Cabinet; Ms Precious Mvulane, a Chartered Accountant; Ms Beryl Ferguson, former Member of Parliament and currently serving on many boards; Mr Willie Hofmeyer, previously of the National Prosecution Authority and Head of the Asset Forfeiture Unit.

The Minister added that, following the resignation of the National Lotteries Commissioner and the Chief Operating Officer, Mr Lionel October, former DG of the dtic, had been appointed Acting Commissioner of the NLC while the post was being filled. The NLC Company Secretary, Ms Nompumelelo Nene, was also present.

Minister Patel explained that the reports would cover the journey that led to the SIU report and the work that the dtic had done, as well as the work that the Presidency had done, but the heart of the day's reports would be the findings in the SIU interim report and the work in progress.

There would also be a report

on the action taken to date, action by the SIU as well as the action by the dtic and the new NLC board, and finally, action to be taken. He would conclude with ten further steps that would be taken. The reports would show, on the one hand, that the funds of the NLC meant for the most vulnerable communities and projects, such as old age homes, drug rehabilitation centres, and centres for young children in some of the most deprived communities, were cynically and brazenly stolen through an organized syndicate of persons. The reports would show that the institutions of the democracy were able, when they were brought into action, to collect the evidence of wrong wrongdoing, and ensure the implicated persons were identified and held to account.

Minister Patel said that the syndicates responsible for looting public funds were able to rely on a network of professional firms that enabled the monies to be redirected, and the syndicate used sophisticated methods to cover up their actions and deflect attention. Courageous individuals, ranging from whistleblowers to journalists to investigators from the SIU and the forensic firms had exposed the corruption. They were all essential to uncovering wrongdoing and showing clearly the channels through which money had flowed between the NLC and recipients, bypassing the intended community beneficiaries. As the SIU itself would indicate that work had not been concluded but he paid tribute to the many people who made it possible to get to the

A handwritten signature in black ink, followed by the initials 'AKUR' written in a stylized, bold font.

point at which the process was. The work done by Advocate Mothibi and his team had been exceptional and had provided the factual basis for many of the allegations made previously. Just by following the money, the SIU had been able to show South Africa what had been happening.

Minister Patel recognised the role of a small but dedicated group of journalists that had blown the whistle, and enabled whistleblowers themselves to bring allegations to the attention of the public. The leading journalist had been Raymond Joseph, and though he worked for a small media house, the persistence and the detail that he had been able to document, were enormously helpful. There were other journalists, such as Anton van Zyl and Nathan Geffen. They had also kept the spotlight on all of the work that the forensic investigators had done, particularly the SIU.

The Minister said that the reports would also show that the level of the misappropriation of monies that had been uncovered to date was very, very substantial. And that the sheer weight of evidence that the SIU was collecting was so compelling that there was no question of having the basis for piercing the veils that many had hidden behind to ensure that they were not held to account.

The NLC had a new board that had moved with enormous speed, particularly in the recent period since the appointment of the board and the board chairperson, and the wrongdoing in the NLC was being brought to an end. South Africans could look forward to knowing that the institutions of democracy were working.

Presentation by the SIU

Adv Andy Mothibi, Head, SIU, made the presentation. He introduced Leonard Lekgetho, Investigator of the NLC, who assisted with the presentation.

Adv Mothibi explained that the focus of the investigation was to investigate the maladministration in the affairs of the NLC concerning the Investments of funds in the National Distribution Trust Fund, contrary to the provisions of the Act; and the allocation of money in the Fund to beneficiaries who were not entitled thereto, including the causes of the maladministration.

Adv Mothibi and Mr Lekgetho referred to the corruption uncovered in precise detail in 119 slides, showing the movement of the money, although some individuals were not named. The list of people involved included attorneys and conveyancers. The SIU made extensive reference to "the NLC hijacking kingpins" and close family members who were involved in siphoning money from supposed NGOs. Some of the money went into purchasing property, including a R27 million house for the former board chairperson and a house for the former Commissioner. The former chairperson also purchased a Rolls Royce costing R6.3 million.

The SIU identified misuse of the proactive funding provision in the NLC Act using various means:

- Inadequate project management;
- Lack of monitoring and evaluation;
- Collusion between NLC officials and NPO (non-profit organisations) and NPCs (non-profit companies);
- Collusion between some board members and NPO and NPCs;
- Abuse of NPO and NPCs;



AKVR

- Hijacking of NPO and NPCs;
- Ineffective auditing of projects;
- Maladministration in the approval of grants;
- Use of Trusts and family members to defraud the systems.

A civil litigation process was underway to review and set aside the grant funding contracts of all the NPOs / NPCs that had contributed towards the sale of the property purchased for the benefit of Mr Nevhutanda, the former chairperson, and, in addition to the R27 million property belonging to Mr Nevhutanda, a further eight properties had been identified for preservation; the process of preserving them was at an advanced stage.

Recommendations to the NLC for systemic improvements included a committee to deal with new proactive funded matters to eliminate the risk of individuals initiating proactive funding projects and ultimately awarding grant funding projects to family members and friends. All current proactive funded projects should be captured in the grant management system/ Fusion system. Adv Mothibi noted that the system was designed in such a manner that it was unable to detect different applications for grant funding made by one individual using NPOs/NPCs. The SIU recommended that the NLC procure an integrated system that was able to detect such abnormalities.

Further recommendations included:

- The NLC system should be linked to that of the Department of Social Development to identify hijacked NPOs and confirm original members of the NPOs.
- Project Management, including monitoring and evaluation, to be done for all funded projects.
- The NLC should adhere to the policy of transferring money to the NPOs / NPCs in tranches as opposed to transferring the grant amount in one tranche prior to receiving progress reports.
- Lifestyle audits to be conducted for all NLC officials and board members.
- There should be a segregation of duties.
- Public benefit tracking against funds granted.

The total value under investigation in Phase 1 was R279.7 million; in Phase 2, R246.6 million and in Phase 3, R901.9 million. The total amount at present was R1.4 billion. Adv Mothibi was convinced the investigation would stand up to any scrutiny.

(See presentation)

The Committee took a break before the next presentation.

Presentation by the dtic

The Minister presented the journey taken to get to the investigation by the SIU. He provided extensive detail on laws, proclamations, and other administrative detail, as well as examples of corruption initially uncovered that had led to the full investigation by the SIU. He also provided details of court cases where the NLC had challenged the Minister and the Department at every step of the way. He made various references to the corrupt and illicit behaviour of the NLC in attempting to evade allegations of corruption: "The NLC commissioned its own investigation into the Denzhe matter, and the outcome thereof was that the NLC had "absolved" itself from any responsibility in the matter of Denzhe and House Generation."



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The Minister spoke of governance and presented the names of the former and the new NLC board. The corrupt activities were reported to the Auditor-General, whose subsequent audit identified serious shortcomings in adherence to proper financial policies; the audit report was qualified. The previous Commissioner had resigned, and the Board was in the process of appointing a new Commissioner. In the interim, an Acting Commissioner had been appointed. The COO resigned following the decision to commence disciplinary action against him. There was compelling evidence available that could result in criminal charges and the recovery of money. Resignations did not absolve an implicated party from civil and criminal prosecution. An anti-corruption/forensic unit would be implemented by the dtic.

(See presentation)

NLC Board Input

Prof Pityana addressed the Committee, indicating some of the avenues that the board would be taking, but mostly reassuring the Committee of the commitment of board members to clean governance and the fact that they were not going to allow guilty parties to go free. Some of the actions the board was considering included integrity measures involving staff, recipients and board members; a review of the pro-active funding programme; a wider investigation beyond the pro-active funding projects, to include all contracts by the NLC and all channels through which payments were made; investigations into the activities of the regions of the NLC and a review of all previous forensic and internal reports.

The board would offer support for whistle-blowers who were threatened or dismissed, and it would address the position of communities or NGOs who were deprived of the support for which the NLC funding was designed.

Discussion

Mr M Cuthbert (DA) congratulated the SIU on an outstanding job uncovering the industrial-scale looting at the NLC, but it would be a travesty of justice if the National Prosecution Authority did not follow through and ensure criminal prosecutions as a result. The Committee had heard from the Minister and his colleagues in the African National Congress (ANC) praise the work of the SIU and the journalists, such as Raymond Joseph and Anton van Zyl for uncovering the rot, but the fact was that the ANC was the root cause of the corruption that had taken place at the entity. Those were the same individuals who had shielded former board members from scrutiny; the same individuals who chastised the opposition and the media for exposing corruption and maladministration and it was members of the ANC who had allegedly used the NLC as a personal piggy bank at the expense of the most vulnerable in society. The grotesque use of funding, which was intended for old age homes, drug rehabilitation centres, and youth upliftment centres, on luxury cars and homes just showed how twisted these individuals were. His message to members of the public is that the next time the ANC said it was pro-poor, they should not believe them.

Mr Cuthbert asked the SIU how much it had managed to recover through civil litigation to date. Secondly, had the NPA responded to the evidence provided to it, and what was the response? Thirdly, were any individuals implicated in alleged corruption or maladministration still in employment at the NLC? And if so, which matters were they implicated in? He saw that no recommendation had been made to scrap Proactive Funding. However, that was one of the key mechanisms used to extract funds from the entity itself together with hijacked non-profit



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organisations (NPOs). Surely serious consideration should be given to the scrapping of Proactive Funding, considering the fact that it had been open to such large-scale abuse.

Mr Cuthbert asked the Minister whether he agreed or disagreed with the recommendation by the SIU that all board members and officials should undergo a lifestyle audit and if so, when did he plan for the process to begin? When did he believe it would be finalised? Mr Cuthbert addressed the “level of disingenuousness on the part of the Minister” who said there had been complete transparency. If it were not for the DA obtaining several legal opinions, pressing criminal charges, and applying public pressure on the Department in respect of the NLC, the matter would not be where it was. It was, therefore, disingenuous to claim credit for that. Could the Minister inform the Committee how much the Department and the NLC spent on legal action against one another? Had the Minister informed other companies, including the serious financial companies, with the same former board members on their boards, of the allegations they faced? Had appropriate action been taken to inform those boards so that they could make a considered decision?

He welcomed the NLC board chairperson to the Committee and the new board. They had the DA's support, contingent on the fact that they did the right thing. Had the board obtained an independent legal opinion to ensure that the decision to extend the lottery license was not open to legal challenge? Could the board chairperson provide the rationale behind pursuing a state lottery considering government's track record of managing funds? One candidate for board chairperson, who was not successful and who was later implicated in corruption, had been very keen on a state lottery and so he suspected an ulterior motive behind that proposed lottery.

Mr W Thring (ACDP) thanked the SIU, the Minister, and the National Lotteries Commission, for the transparency which outlined the magnitude of corruption at the NLC. It showed the brazenness of the perpetrators of corruption and fraud at the NLC to the tune of some R1.4 billion, which almost equalled the annual budget of the NLC and was quite alarming and shocking.

He disagreed with the Minister in some respects. While appreciating the transparency and the openness, that was not democracy working. It was a failure of internal good governance processes because it should never have happened in the first place if democracy and good governance principles had been applied.

What was the total number of officials, board and executive members involved in the corruption? The Committee had heard of ‘board member one’ and ‘executive members one’ and two and so on, but what was the total number of officials, board, and executive members implicated in the looting at the NLC? And how many of them had had criminal, civil and/or internal disciplinary charges laid against them, despite resignations? He worried that when people resigned from government institutions, everything seemed to go quiet and disappear.

Mr Thring asked what charges, if any, would be laid against the NPOs and NPCs (non-profit companies) and the individuals or accounting officers who had a fiduciary responsibility at those NPOs and NPCs. What charges would be levelled against the conveyancing attorneys and law firms that had been implicated in the looting and had resigned, from being employed in other government departments, i.e., eliminating the revolving door? Could the amount which



A handwritten signature, possibly 'W Thring', is written in the bottom right corner of the page. Below the signature, the initials 'AKR' are written.

had been recovered and possibly recovered by the Asset Forfeiture Unit of the NPA be quantified in terms of the R1.4 billion looted over the years? He requested a comparison between what was expected to be recovered versus what had been looted.

Lastly, he noted that internal good governance measures were crucial and had to be put in place to prevent what was known as 'the hyenas' who had no moral integrity, or respect for the poor, the unemployed or the aged.

Mr Z Burns-Ncamashe (ANC) welcomed the report of the SIU which resonated well with the trust of the renewal programme led by the African National Congress which was aimed at approaching every seat of corruption in public institutions.

However, Mr Burns-Ncamashe had heard the opportunistic comments by Mr Cuthbert in bringing the ANC into the equation when not a single finding in the presentation had made mention of the ANC. It was part of its obsession that, even when the DA had its own failures, it would use that. That was the extent to which the DA would never accept that the ANC would do anything that resonated with them. There was a historical reason that the DA saw things differently. If one looked into the meticulous methodology so clinically articulated by Adv Mothibi, it confirmed the tenacity of state instruments in the resolve to leave no stone unturned. That was what the President of the country, President Cyril, had promised and was doing. So South Africans would not be misled. They were very clear and could see exactly what was happening. Members of the Committee were not there for grandstanding. The action demonstrated the ANC-led government institutions at work to root out every threat of corruption, malfeasance, and corruption to achieve a better life for all our people and advance the National Democratic Revolution.

Mr Burns-Ncamashe agreed that the report was indeed devastating, but it showed exactly what the government intended to achieve. He thanked the President for his steadfast resolve to show zero tolerance for the cancer of corruption. The presentation left everyone numb and flabbergasted because it undermined the ability of the state to intervene in improving the quality of life of its people and government would not be deterred by the DA with its challenges of malfeasance.

Mr Burns-Ncamashe said that before he came to Parliament, his kingdom had sought and was awarded a very small amount of money from the Lottery Funds, part of which was to repatriate the artefacts of his kingdom that were lying on the shelves of the British Museum. He was disgusted that money had gone to buy a Rolls Royce instead of to valuable projects like that one. The collaboration by several firms of attorneys was shocking and he encouraged the SIU to follow every step necessary to dislodge the chains of graft and corruption.

Mr Burns-Ncamashe affirmed his unequivocal support to the newly appointed board led by a very capable man of integrity because the NLC was the biggest hope that the people had, which could alleviate the plight of the poor. The DA was saying that proactive funding had to be scrapped but proactive funding showed the strategic trust and intent of the ANC to serve its people who, unfortunately, were not the DA's constituency. It was necessary to strengthen checks and balances, including the ability of the governance structure of the accounting authority in its oversight, leadership, and fiduciary responsibility.



AKJR

Dr M Tshwaku (EFF) asked when the SIU was going to submit the report to the President. Was the report available? Why did Members of the Committee not have the report? He would have liked to dive into the specifics, not just receive a presentation. When was the report going to be issued and submitted to the President? Why were the same matters being investigated over and over with the resources that were supposed to be allocated to good causes? How much money had already been paid to the investigators to date?

He noted that the chairperson of the board was talking about an Acting Commissioner who had been appointed. He believed that the person in question had been a DG and, after his contract had expired, he was moved to the Industrial Development Corporation (IDC) to take care of some projects. If the NLC was to be fair, could the chairperson explain how he just ended up at the NLC? What processes and what rationale had been followed for him to be appointed? Was it true that he had fought with the former chairman of the NLC because he had wanted a Cape Town-based company to be awarded the lottery licence?

Dr Tshwaku said that the current NLC board had been appointed through a telephone call by the Minister. Had the board members been vetted and were they fit and proper? Was there a proper process of vetting them with due diligence, and checking that they were fit and proper to execute that duty? One of the board members seemed to have done consulting work for the NLC. Had he declared that benefit? He had to if they were preaching ethical transparency. Was there any conflict of interest there?

He asked how the Committee could listen to many allegations that had not been verified because Members did not yet have a report. When they received a report, maybe the story would have changed which was why Members needed verification. What was the Committee's interest in listening to the allegations, with people named before the report was complete and implicated parties had not yet responded or reviewed the report? To ensure justice, that should have been done first. Why was the Committee putting the cart before the horse? People were wasting money everywhere. The SIU should finish the report and give all those implicated a chance to explain themselves before the matter is made public. The matter ought to be concluded before the Committee could reflect on the issue.

The Chairperson thanked Dr Tshwaku but noted that the handover from the previous Member of his party was incomplete. The SIU was reporting at the Committee's request for an update on the investigation.

Mr D Macpherson (DA) commented that it was a truly horrific account of what had occurred at the NLC. But none of that should be surprising or shocking to the Minister or to any of the Members who were in the meeting. Mr Thring hit the nail on the head in saying that the sort of congratulatory feelings among some in the meeting, were entirely misplaced because there was nothing to celebrate when people were stealing money from the poor to buy a Rolls Royce. The problem that he had with the conversation and that was repeatedly experienced in the Committee, was that when issues were raised, points made, or concerns brought to people's attention, whether it be the Minister or the Committee, words like grandstanding, point-scoring and posturing were thrown around to de-legitimise the concerns, points made and genuine feelings about how things were being done to protect people's interests or political agendas. And when those things crystallised over the years, people did not want to be reminded of that. That was not point scoring; that was not grandstanding; that was making the point that if people

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listened to the points of view and concerns of others when they arose, they would not be sitting in that position. And they would not be patting themselves on the back, thinking what a great job they had done, or even worse, trying to articulate that it was some expression of democracy.

Mr Macpherson thought that it was opportune to take a moment to reflect on how things had reached the point they had, and how many issues had been missed or ignored as the SIU was an investigating agency and so would not be able to make reflections on the actions or inactions of some political parties. The entire debacle started in 2015 when the then Department of Trade and Industry (dti) and the Minister's predecessor introduced proactive funding, which became the platform for grand-scale corruption and theft. At the time, the DA had warned Minister Davies and warned the Committee that the NLC was opening itself up to looting on a grand scale. DA Members were called racists, told that they did not want to empower black communities and the usual thing that the ANC trotted out, and the DA was ignored. Within less than two years, the first signs of corruption were seen when the allegations about Denzhe Primary Care started to emerge, thanks to the incredible work of investigative journalists to bring that to the attention of the public. That was important to the Parliamentary Committee and the first questions and the first requests for investigations were put before the Committee. And it was the ANC's unwillingness and inaction at that time that aided and abetted the looters within the NLC because they knew from that point, when the ANC refused to be on the side of transparency and refused to be on the side of good governance, that they had a protectionist regime within Parliament that would shield them from any accountability.

He recalled that, at the same time, it was the ANC that had bulldozed the re-appointment of Mr Nevhutanda. The DA and other political parties had said at that time that Mr Nevhutanda was entirely inappropriate to be re-appointed as the chairperson of the NLC. In opposing the appointment, the DA Members were called racists, various other names, and everything the ANC normally came up with. When the NLC came up with the crazy idea of not releasing details of public beneficiaries, the ANC in the Portfolio Committee attempted to defend that position in 2019 and 2020 and took the side of the board that refused to make those names known. The then Chairperson of the Committee, went so far as to try and obfuscate and obtain a legal opinion in an attempt to stall the public release of those names. Again, Members of the ANC in the Parliamentary Committee called DA Members racists who did not trust black NGOs. The ANC sought to protect the nonsense going on in the Committee in 2018.

Mr Macpherson added that Members of the ANC had refused, absolutely refused, to investigate what was going on in the NLC. In fact, they became so emotional, so angry, there was almost a scuffle in the Parliamentary Committee in a meeting held at the Townhouse Hotel. And again, the DA Members were called racists, and all sorts of names. He did not understand the inaction over all of this. The Minister knew in 2020 that things were going south as the board was fighting him, they refused to make information available, they were taking the Minister to court, and they were burning money at an extraordinary rate between corruption and lawyers' fees to keep the status quo for as long as possible. And yet the Minister placed no one on suspension and never sought to dissolve the board.

Mr Macpherson noted that Mr Burns-Ncamashe talked about the dereliction of state institutions and some fiduciary boards, but he did not talk about the dereliction of Parliament, the dereliction of the previous Minister, and the dereliction of duty by the current Minister. He did not talk about the dereliction of ANC MPs that stood by and watched all it happen.



Akwe

He said that he fully supported the current board, noting that, ironically, it was exactly what his comrades had said of the previous board. In hindsight, and knowing what everyone knows, and the long history of the NLC, did the Minister believe that the ANC and MPs had failed in their duty to hold the NLC accountable? Concerning the re-appointment of Mr Nevhutanda, knowing what people knew then, and knowing what he knew now, did the Minister regret some of his own inaction around the conduct of the NLC? If the answer to all of those questions was No, then the same thing was going to happen all over again. But if the answer was Yes, then hopefully, the Minister and his comrades would learn a lesson and people would start to listen to other views and other warnings. None of it came out of the dark. It was written about for three years before anything serious took place. Raymond Joseph had been vilified; his life was threatened, and ANC Members of the Committee had insulted him in Committee meetings; they tried to have him removed from Committee meetings. His was a lone voice; he stood up and blew the whistle loudly but was not taken seriously, except by Members of the DA and other political parties that sought to drag the issue into Parliament. All of that could have been avoided if people had listened and done their job properly, and not found themselves in dereliction of duty.

Mr C Malematja (ANC) emphasised that Members were not fools; they were clever enough to see what was true and what was not. He appreciated the Minister's work and his support for the President during the request for the establishment of the SIU. That was implemented in governance as per the mandate given by the State President. It was correct that when things were happening, people wanted to get glory out of things to which they never contributed, so they were just attacking. It was astonishing that the DA sought to attack the ministry and try to play narrow politics instead of recognizing the success. It was an example of a dedicated ANC-led administration operating within the law and, bit by bit, putting the screws on corrupt individuals until they had nowhere to run. But did the DA take any steps to uncover the corruption? The answer was no, except for making many press statements. No, it was the Minister who asked the internal audit team to visit the Denzhe Primary Care project physically. The DA did not appoint the forensic investigators that initiated the uncovering of the wrongdoing. In fact, the Minister requested that an independent foreign investigator be appointed. The DA never laid any criminal charges against the NLC. The Minister requested that a charge be laid as soon as the details of corruption were uncovered. The DA never challenged the old NLC board in court. The Minister had defended the state against a range of attacks. The DA was just critical of Ministers. In many cases, it was not the public that was misled when cheap political experts came up with misinformation and thought that people were listening to them, but the people were not listening.

Mr Malematja also asked some questions. How many employees, excluding the board members, had been implicated in wrongdoing at the Commission to date, and what measures had been employed to hold them accountable? He understood the board was strengthening internal control weaknesses and asked what that entailed and how effectively and efficiently it would prevent or mitigate corrupt acts in the future, not only by board members but by the entire organization. He welcomed the newly appointed chairperson for his vision, and his eagerness to transform the country and thanked the Minister for appointing a wealth of valuable persons.

Ms N Motaung (ANC) stated that the matter should not be politicised, and Mr Macpherson should not grandstand in Committee meetings. It was malicious and misleading to the public. Nowhere in the findings of the SIU was the ANC implicated. The ANC president had sanctioned

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the investigation.

Ms Motaung asked if the NLC had a monitoring and evaluation mechanism in place to ensure that the funding allocated to NPOs went where it was intended to go and had the intended social impact. She asked when the board was planning to fill the executive vacancies in the NLC and when the SIU would submit its report to the President. Those who were guilty had to be charged.

Responses

The Chairperson noted that the time was after 1 pm and that the House would be sitting shortly. She could only give each respondent eight minutes to respond.

Adv Mothibi replied that when findings were made where the board members should be declared delinquent, other boards were informed of that by the SIU. Regarding officials that the evidence had pointed to, he explained that the SIU had not yet made findings on all those possibly implicated. There were officials that the evidence had pointed to, but the Unit had not made findings as the investigators were still looking. However, Mr Lekgetho would provide the number they were looking at. As the investigation continued, there was a possibility that there would be additional names.

Concerning the number acted upon despite their resignation, he pointed out that resignation only terminated the employer-employee relationship, but the SIU was pursuing them via civil litigation, and criminal charges by the NPA. All of the SIU evidence was referred to the NPA. Some of that evidence is related to the NPOs. So, wherever evidence pointed to NPOs that had committed a criminal offence, the SIU referred them to the NPA. In the presentation, the SIU had indicated the number of referrals to date.

Responding to the question of whether there was a database of employees deployed elsewhere, Adv Mothibi stated that it had been observed in various investigations that, when officials in state institutions were confronted with evidence of wrongdoing, they were quick to resign. Then they re-started in other state institutions. Firstly, the SIU froze their pensions. That made officials realise they could not commit wrongdoing, resign and leave. So, the SIU froze pensions as the first step of ensuring that they felt the pain. Secondly, the SIU was in contact with the Department of Public Service and Administration. That Department was able to check via their system where those officials had moved to, and then the SIU was able to follow them wherever they were. The SIU had various examples where it had done that.

About the amount to be recovered vis-à-vis the amount under investigation, he explained that various processes were preparing to institute civil litigation, but the SIU did not have the exact number yet. Once the quantification had been done, through the civil litigation process, forensic accountants would assist and the SIU could respond in writing to the Committee, indicating the amounts recovered to date versus the amounts under investigation. In terms of the firms of attorneys, the SIU would ensure that wherever evidence pointed to firms through which monies were channelled using their accounts and so on, the SIU would make those reports available to the Legal Practice Council and ensure that the Legal Practice Council activated its processes so that those attorneys were held to account and possibly removed from the roll of legal practitioners.

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Adv Mothibi stated that he had indicated in his presentation that the interim report on Phase One would be submitted to the President on 31 October 2022 and the unit would submit a follow-up report on phase two and phase three, and ultimately consolidate all into a final report. However, the SIU continued to receive allegations and duty bound to investigate all allegations received but the Unit would stick to the timelines for presenting the reports. Once the report had been presented to the President, the Committee could request a copy of the report from the presidency.

Adv Mothibi explained that one NPO could be revisited once or twice, depending on the evidence that came up. For example, there could be a whistleblower with evidence and after a while, a second whistleblower came with other evidence pointing back to the same NPO. In such a case, the SIU was enjoined by law to investigate and re-investigate that NPO. Investigations were evidence-based, and the outcomes were supported by the allegations that had been made.

Regarding payment to investigators, he told Dr Tshwaku that the investigators were not paid, other than the salaries that they received. However, when the SIU investigated, it was legally provided that it charged fees. The SIU charged those fees as an institution, not by investigators. The NLC would be issued with invoices.

The Chairperson stated that the remaining questions to the SIU would have to be answered in writing.

Prof Pityana acknowledged that the points raised were very important and very crucial, but he was not sure that the board could do them justice in the time available. He requested Ms Ferguson and Ms Mulvane to respond to the questions from Mr Cuthbert about the lifestyle audits and whether the board had obtained an independent opinion on the extension of the license. There was a question about the Acting Commissioner's appointment, whether the new board members declared conflicts of interest, and whether there were mechanisms for monitoring and measuring the social impact of the projects and the funding of the NLC.

Ms Ferguson stated that the board required the completion of a series of integrity testing. The board had also proposed the introduction of a lifestyle audit, starting with the board because its members should be above scrutiny. However, the Minister might have a different view. About a legal opinion on the extension of the license, she stated that the board needed to look at the continuity and stability of the NLC, but certainly, it had obtained extensive legal opinion, and there had been a lot of back and forth. The Minister might want to also expand on that because it was really in his domain, in terms of the internal governance measures. Certainly, as management, the board was revisiting and re-looking at all the policies, processes, internal governance measures, and so on.

Regarding filling executive positions, Ms Ferguson said that the board was in the process of doing that and was hoping to make those appointments very soon because the NLC could not operate with the empty executive positions. It was critical to fill those positions with good people very, very soon. She could not say how many employees had been implicated but the board was looking at all the investigative reports and going through everything with the SIU; people were being identified as they spoke. Processes of suspension were unfolding daily. Some of it was not as straightforward and as easy as thought. There was monitoring and

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evaluation in place, however, it definitely needed to be strengthened. And as the NLC chairperson had said, and the Minister had alluded to, the board would be looking at all beneficiaries and ensuring that the money was being well used.

Ms Mvulane said that the legislation did allow the board, in consultation with the Minister, to extend the contract of the lottery company and they had taken a legal opinion. As for the appointment of staff, that would be completed within the next 60 days at the latest. Some applicants had already been shortlisted. Four other matters relating to initiatives were currently being looked at by the board, including the process of putting strong governance structures in place, which would allow proper independence of the board so that it could report adequately to the executive authority.

The Minister appreciated the comments made regarding the efforts to address the corruption. On the questions that had come up on the lifestyle audits, he believed it was a sensible approach to have lifestyle audits in the NLC. That had come up in the last meeting he had had with the board, which had indicated to him its approach and workflow on legal costs. That had not yet been quantified but once all the work had been completed, and was available, the ministry would take legal advice on that.

On the matters raised by Dr Tshwaku, the Minister assured him that the process in the Act in respect of appointments had been followed, including the question of the Acting Commissioner and the board members. He also indicated that there had been a narrative by implicated persons who sought to discredit all those taking steps to protect the institution and the monies meant for ordinary South Africans. He was not aware of any of those allegations made against the Acting Commissioner.

On the issue of congratulatory feelings being misplaced, as raised by Mr Macpherson, he would certainly agree that no one should be saying that they were celebrating the problems of the NLC, but it was necessary to say that democratic institutions do work and that the SIU would go after the implicated persons, and they would be held to account. They could hide, shred the documents and even burn the documents, but the SIU was following the money, and the investigations had laid out the extent of the problems while the courts had upheld the right of the executive authority to hold the board to account.

Minister Patel noted that Mr Macpherson had raised issues with the benefit of hindsight. The Minister had spent a lot of time with the lawyers in 2020, looking at what options were legally available and the risks, and he had acted on the basis of independent legal advice. That advice had been effective in that it provided a sufficient basis of evidence, as the court ruling itself found, for the Minister to have a basis to act. And that basis had been established by the information that had come out of the various investigations.

The Minister urged Mr Macpherson to again carefully look at the detail. He understood his enthusiasm to act immediately, to shoot from the hip, but if he had wanted to avoid successful court action, see the decisions of the Executive overturned. The Executive was ultimately being left at the mercy of the board and the decisions that the staff at the Commission could take; he would have shot from the hip. He had not done so. He had acted carefully and on legal advice and the extent of the evidence available at present was testimony to following due process.



AKJR

The Minister noted that Mr Macpherson had raised the question of Parliament's responsibility and the MPs and so on, but the hindsight question was quite a tough one for everybody. He pointed out that in 2017 when the Portfolio Committee considered members of the board, there were different points of view on the Committee. Some Committee Members had supported the person who became the chairperson, but Mr Macpherson will recall that he and Mr Hill-Lewis, representing the Democratic Alliance, had recommended Advocate Huma to serve as the chairperson of the Commission. What had subsequently become evident, was that the SIU had since uncovered evidence implicating Advocate Huma. So, everyone needed to take a very realistic view. What was the objective of grandstanding? And he knew Mr Macpherson did not like the phrase. However, Mr Macpherson made a fair point that everybody should listen to any advice given. He agreed fully with that. The ministry was not completely done with the matters involving the NLC and it would be better if the narrative that the Committee put forward was a unified narrative to strongly support the work that the board would be doing to hold people to account. The Minister advised that everyone should do a little bit less on all of the grandstanding, posturing, etc. He denied that he had been inactive and said he had, in the meeting, lifted a little bit of the veil on the steps taken by the Ministry and the Department in that entire period and the record spoke for itself, very loudly, that instead of inaction, they had taken action to ensure that the legal basis for acting against corruption was well established and the wrongdoers were at present in the sights of the law enforcement agencies.

He agreed with those Members who had said it would be important for the NPA and other law enforcement agencies to take the baton from the SIU. That was vital. Dr Tshwaku raised the question of waiting until all the reports were complete before taking any action, but there was a substantial body of information available at present and when that information was so compelling, it provided grounds for the board to act. And that was what the board had indicated it would do on the lotto licence. The NLC had obtained a legal opinion and the Department had two sets of attorneys who had enacted with NLC and provided him with advice on the extension of the lottery licence.

The Minister stated that all questions had been answered. He noted that all were engaged in an important step in accountability. What had been uncovered was nasty and rough, but it showed what the law enforcement agencies could do. He added that, in a cruel irony, the NLC had set up a workshop with the OECD (Organisation for Economic Cooperation and Development) on dealing with the issue of corruption. That was a cruel irony. But the new board was taking every step to deal with the challenges laid before its members and he wished them well. He also wished the SIU well and looked forward to the next steps.

Closing Remarks

The Chairperson confirmed that the Committee would be looking at the NLC in its oversight capacity and was awaiting the next two phases of the investigation by the SIU.

The Committee Secretary informed Members that the following meeting would be on Wednesday 28 September 2022: a briefing by the dtic and stakeholders on the implementation of the Masterplan for the South African Furniture Industry; consideration of the Committee's 4th Quarter Programme; consideration of minutes.

The meeting was adjourned.



Company made millions advising corruption-riddled Lottery on ethics

"Ethics interventions" at NLC cost more than R6-million

4 May 2023 | By [Raymond JosephNews](#) | [South Africa](#)



From left to right: Nompumelelo Nene of the NLC, Janette Minnaar of ProEthics, Kevin Malunga and Aldrin Sampear at an anti-corruption conference sponsored by the NLC. This photo is from an advertorial published in Sunday World. Copied as fair use

- **ProEthics was paid millions of rands by the National Lotteries Commission (NLC) for ethics-related interventions at a time that the NLC was overwhelmed with allegations of corruption.**
- **The NLC has since been instructed to suspend the company's services and stop payments to it.**
- **The payments to ProEthics are to be investigated by a new forensic panel that the NLC is currently setting up.**
- **ProEthics says its services were provided "ethically and professionally". It has also implied that it will take legal action against GroundUp and this reporter.**

A company that consults to government and big business on ethics billed the NLC more than R28-million for media monitoring and ethics-related "interventions" at a time when the NLC was overwhelmed with allegations of corruption, fraud and conflicts of interest.

Of the payments to [ProEthics](#) between 2019 and 2022, almost R6.3-million was for "ethics interventions". At the time, the NLC was the subject of [damning revelations by GroundUp](#) about corruption.

ProEthics was also paid over R1.74-million for "Ethics Media Monitoring" during the same period, consisting of payments of R364,192 in July 2022, R325,887 in August 2022 and R1,053,366 in June 2021.

AKW

The NLC also paid over R600,000 to several companies to monitor reporting about the NLC in print, on radio and TV and on social media, and to monitor the performance of advertising and paid-for advertorials, according to an October 2022 written reply to Parliament's Trade, Industry and Competition portfolio committee. The information was supplied in response to a question by Democratic Alliance MP Mat Cuthbert requesting details of "NLC communications, media and marketing services contracts".

Though the payments to ProEthics in 2021 and 2022 fall within the same time period as the payments revealed in Parliament, these payments are not included in the NLC's parliamentary response.

Just over a month after he was appointed acting NLC commissioner on 1 September 2022, Lionel October, instructed company secretary Nompumelelo Nene to stop using ProEthics and to suspend any outstanding payments to the company. Nene is currently on suspension pending a disciplinary hearing, which is expected to begin soon. October was recently appointed to the NLC board.

In the memo, headed "Forensic investigation - ProEthics", October wrote: "Please be advised that all services and payments to the above service provider should be suspended until further notice."

The payments to ProEthics are among several to be investigated by a new forensic panel that the NLC is setting up, according to a source with knowledge of what is being planned. It has also been flagged by the Special Investigating Unit (SIU), which has applied to President Cyril Ramaphosa to extend its mandate to allow it to probe payments to NLC service providers as well as grants by the NLC.

ProEthics also attracted the attention of the Auditor General (AG), which flagged at least one payment of R2,443,426 to ProEthics by the NLC, for failing to obtain three quotes as required by the National Treasury.

Responding to detailed questions, ProEthics founding director Janette Minnaar said she was unable to give details of the payments and the work done for the NLC because of a "confidentiality clause" they had signed.

"The SLA (service level agreement) between ProEthics and the NLC contained a confidentiality clause; all information regarding material, costs, and service providers should therefore be obtained directly from the NLC," she said in an email.

She said ProEthics "was placed on an NLC panel of service providers of the NLC following a proper tender process and an SLA was signed. Appointment on projects was done through a thorough RFQ (request for quote) process and all services were rendered ethically and professionally.

"In rendering our services, we aim to assist our clients to build a culture of integrity. Where the project required services outside our scope of expertise the NLC appointed service providers from their panel to assist in the particular project," Minaar said.

She warned: "... that should any defamatory statement be published or included in any press release we shall take all the necessary steps to hold you personally and GroundUp liable".

And, in a subsequent email, Minnaar added: "We again stress that our rights are reserved in toto."

A handwritten signature in black ink, appearing to be 'J. Minnaar', with the letters 'AKUR' written below it.

NLC Commissioner Jodi Scholtz, without commenting specifically on ProEthics, said: “The NLC has received a draft report about some procurement irregularities and is studying that to determine the best course of action.”

What ProEthics was paid for

GroundUp has seen a list of payments made to ProEthics between 2019 and 2022 totalling over R28.4-million. Besides the payments for media monitoring and “ethics interventions”, ProEthics was also paid by the NLC for a variety of other services, including:

- “Conflict of interest and “conflict of interest vetting”: almost R4.9-million;
- “Mental Health Day” over R2.9-million;
- “Ethics video”: almost R1.1-million;
- “Ethics intervention: International Fraud Awareness Week”: R2.4-million;
- “International Fraud Week - Virtual Conference”: over R2.8-million;
- “Ethics Risk Assessment”: R1.7-million; and
- “Ethics training”: R35,850.

ProEthics states on its website that it is currently on the NLC’s “Corporate governance panel for the NLC ethics office and secretariat”. It has an extensive list of the work it has done for the NLC.

ProEthics does extensive ethics consulting work and training for government, state entities and big business. Besides the NLC, ProEthics clients include the Auditor-General, the Land Bank, the office of the Gauteng Premier, The Office of the Ombud for Financial Services Providers, The Public Investment Corporation, the Reserve Bank, Parliament and the Road Accident Fund. The company has also consulted on ethics, and provided ethics training, to a variety of blue chip companies and corporations.

Founded in 2014, ProEthics has two directors, Janette Minnaar and Simoné van Helsdingen.

“At ProEthics, we strive to live up to the highest standards of ethical behaviour and professionalism,” the company says on its website. “We will not compromise our core values of integrity, excellence and responsibility. We do what we say and we keep our promises. Our personal and corporate integrity are our key drivers to deliver excellent service.”

“At ProEthics we promote professional ethics and business integrity. We empower our clients to fight dishonest business practices and prevent losses resulting from crime and irregularities, by promoting an ethical culture and responsible organisational governance.

“We are committed to combat economic crime and harmful business practices that could hurt the innocent, destroy profit and damage quality service delivery.”

Minnaar addressed a virtual conference on anti-corruption and integrity organised by the Organisation for Economic Co-operation and Development (OECD) in 2021. The NLC was a key sponsor of the event and several of its executives featured on panels.



Minnaar told the conference, which was streamed live from Pretoria, that “the NLC is working hard to ensure that the organisation roots out fraud and corruption, which impact negatively on the organisation’s operations.”

Highlighting five main steps to apply in the fight against corruption, Minnaar said it was “crucial to understand how rogues can be dealt with when they get involved in illegal activities.

In fighting corruption, there should be prevention, detection, investigation, reporting and prosecution as key factors that can eradicate the rot that is consuming the country, she said.

“There is a duty on persons who hold a position of authority or who knew or ought reasonably to have known or suspected that any person has committed an offence in terms of the act or theft, fraud, extortion, forgery or uttering involving more than R100,000 to report it to the police,” she said.

But far from reporting corruption, the previous executive and board of the NLC took extraordinary steps to hide it, hurling legal threats at GroundUp, members of its own staff who blew the whistle on corruption, and anyone they perceived as critical of the Commission.

A handwritten signature in black ink, followed by the initials "AKR" written in a similar style.

New measures to prevent Lotto looting

The National Lotteries Commission briefed Parliament on the steps it is taking to clean up the organisation

22 September 2023 | By [Raymond JosephNews](#) | Cape Town



The National Lotteries Commission, overwhelmed by fraud and corruption in recent years, has told Parliament it is taking extensive measures to stamp out graft. Archive photo: Ashraf Hendricks

- **The National Lotteries Commission (NLC) briefed Parliament on the measures it is taking to stamp out corruption that was rampant under the previous management.**
- **The Special Investigating Unit (SIU) is currently investigating more than 700 dodgy projects involving more than R2-billion, and has seconded staff to the NLC.**
- **The NLC is also looking at reparations for staff threatened or dismissed for whistleblowing, and making amends with communities harmed by grant corruption.**

The National Lotteries Commission (NLC), overwhelmed by fraud and corruption in recent years, has told Parliament it is taking extensive measures to stamp out graft. The range of these steps, some quite basic, reveals the extent of the rot under the previous management..

The Special Investigating Unit (SIU) is currently investigating more than 700 dodgy projects involving over R2-billion, according to its spokesperson Kaizer Kganyago.

The SIU had seconded two of its staff to the NLC to assist with investigations into procurement, bolster capacity in the forensic investigations unit, and assist with the lifestyle audits of staff.

AKVR

During the last financial year the NLC uncovered 53 fraud matters during forensic audits and reported these to SAPS, and uncovered a further 27 cases in the current year (commencing 1 April 2023), NLC chief audit executive Vincent Jones told the trade, industry and competition portfolio committee earlier this week. This was during a report back to Parliament on the NLC's first-quarter performance.

The NLC has formed a panel to review proactive funding, which was at the heart of the looting.

NLC Commissioner Jodi Scholtz told MPs that the NLC is working on an anti-corruption and fraud framework. The bulk of the risk, she said, is with grant funding. "We've introduced a risk-based model and the inspectorate goes out and inspects each and every project against that model. This is a complete departure from the past, where we didn't do these pre-inspections, but now it is part and parcel of the entire process."

In a significant step to enhance the transparency in its funding of non-profit organisations, the NLC began publishing a monthly list of awarded grants. It is also considering publishing location details of funded projects to make it easier for activists and journalists to monitor them.

This is a far cry from the previous administration, which under the pretence of safeguarding the privacy of grant beneficiaries, stopped publishing details of grants in 2019 as GroundUp exposed more and more corruption. The NLC eventually relented and started publishing grant details again after pressure from Parliament, the Department of Trade, Industry and Competition (DTIC), Minister Ebrahim Patel, and media exposure.

Dodgy procurement

Both the NLC and the SIU have identified problems with procurement that did not follow required Treasury processes, some of which were highlighted by the Auditor-General. In many cases, tenders were awarded to a single supplier rather than put to tender, as required by law.

Non-compliance with supply chain management (SCM) rules had resulted in numerous incidences of irregular expenditure in the organisation, NLC chief financial officer Tina Maharaj told MPs.

"SCM was decentralised so that there were certain divisions in the organisations that took over SCM processes and created panels for themselves, which was not in line with the legislation.

"As a result of that we have had to cancel a significant number of contracts and go back to market and recontract with suppliers," said Maharaj.

GroundUp exposed several examples of questionable procurement, such as advertising in Sunday World, which received about R24.7-million from the NLC. The NLC falsely claimed that Sunday World had a unique readership and there was no reason to go to tender.

In another example, ProEthics billed the NLC more than R28-million for media monitoring and ethics-related "interventions" at a time when the NLC was overwhelmed with allegations of corruption, fraud and conflicts of interest. The NLC has now suspended the company's services and stopped payments, pending the outcome of an investigation.

The NLC has also cracked down on sky-high payments to lawyers. It suspended its panel of lawyers but has been unable to locate reports and documents relating to briefs and work done by many of them.



“Some of those reports were unfortunately swept under the carpet, so we are now looking at the recommendations to see where we can improve our internal processes,” she said.

Reparations and whistleblowers

A reparations process to compensate whistleblowers previously threatened or dismissed has been approved by the NLC board, Scholtz said.

The NLC has partnered with The Whistleblower House, which is guiding it on the process of compensating whistleblowers who spoke out publicly about corruption in the organisation.

“There is an absolute commitment to do right in terms of what was done wrong,” Scholtz said, adding that they planned to use a model based on one used by SARS to compensate staff who were hounded out during its period of state capture. She said the process would begin in October or November.

“In terms of the reparations, we will look at it on a case-by-case basis so that we can consider each person’s experiences and determine an appropriate response.”

Regarding communities affected by corruption, “it’s really heartbreaking to witness this level of destruction”, she said.

She said the SIU has a list of 19 projects and has advertised to bring in a quantity surveyor to do a value-for-money exercise to see what it will cost to fix each project.

“Based on that, we will engage with those communities as part of the reparation.”

Dodgy IT system

In a previous interview, Scholtz told GroundUp about serious issues with the IT system, which had enabled corruption.

“It was as if people sat around a boardroom table and planned how to corrupt and steal,” she said.

Responding to questions from MPs, Scholtz said it was important to distinguish between a process and a system.

“There were a lot of things that the system didn’t do,” she said.

For instance, ID numbers weren’t captured. The absence of this and other relatively basic functions was “part of the broader system of corruption”, Scholtz explained.

“Unfortunately, the proactive funding was actually implemented and managed outside the [NLC’s] Fusion platform and that made it a deviation from processes,” chief information officer Mothibi Ramusi told MPs. “So it wasn’t actually a technology issue, it was more a process that was implemented by the organisation.”

He said revised processes “will tighten our validation and verification with third parties within government, like the CIPC, Home Affairs, the Department of Education when it comes to IDs and names of associations and clubs that we fund”.

Lifestyle audits

The NLC has begun conducting integrity testing and lifestyle audits of NLC staff and board members.

A handwritten signature in blue ink, followed by the initials 'ACJR' in black ink.

“We have adopted a consequence and ethics management framework and the integrity testing process has begun,” Scholtz said.

However, at this stage it was voluntary.

“So far 96 staff members have participated and 21 have declined to participate. We are in the process of putting together an integrity testing and lifestyle audit policy.”

Minister’s priorities

Scholtz said Minister Patel, who has oversight of the Lottery, had given the NLC a list of priorities. These include

- a complete implementation of all SIU findings;
- finalising investigations of all transactions involving consultants over the past ten years, including law firms, IT services and public relations services;
- initiating a wider investigation beyond proactively-funded projects, to include all contracts by the NLC and all channels through which payments were made by or on behalf of the NLC;
- initiate investigations into the activities of all the regional NLC offices; and
- review all previous forensic and internal reports and consider recommendations for systemic changes to avoid opportunities for corruption.

A handwritten signature, possibly 'N', is written above the initials 'AKVR' in the bottom right corner of the page.

How the Lottery used an ethics company to launder money

Entertainer Lebo Molax earned R200,000 for participating in three National Lotteries Commission events

15 April 2024 | By [Raymond Joseph News](#) | South Africa



Lottery officials got an ethics company to make payments for questionable third-party services.
Illustration: Lisa Nelson

- **The National Lotteries Commission (NLC) instructed service providers to pay third parties it had appointed, thereby concealing the source of the money.**
- **The NLC ran a parallel procurement process that bypassed its official supply chain management system.**
- **Millions of rands are involved.**
- **Celebrities were paid huge fees as speakers and panellists at NLC “ethics events”.**

The National Lotteries Commission (NLC) used service providers to pay millions to third-party suppliers it appointed. This effectively bypassed its supply management system and concealed that it was the source of the funds, a GroundUp investigation has found..

This occurred at a time when the NLC was overwhelmed by fraud and corruption under its previous board and management. The new management and board have been working hard to bring the organisation right.

The NLC instructed companies to use and pay service providers they had no say in appointing.

The Auditor-General has found many of these payments to be unauthorised expenditures.

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ProEthics, which received over R28.4-million from the NLC between 2019 and 2022, was one company used to channel millions to suppliers.

At least half of this was then paid on to NLC suppliers, a source told GroundUp.

“It was basically a parallel procurement process that avoided the NLC’s supply chain management systems,” the source said.

Asked why ProEthics had paid NLC service providers, director Janette Minnaar said, “This was done in circumstances where and when the NLC appointed and instructed other service providers, and then instructed us to collaborate with them to deliver a project.”

“The scope of and expertise needed for all ethics-related projects were decided by the NLC. The NLC appointed service providers at their sole discretion and we were instructed by the NLC which service providers to collaborate with to deliver certain projects.”

SIU wants its hand untied

The Special Investigating Unit (SIU) has uncovered multiple examples of suspicious procurement. However, its hands are currently tied as a presidential proclamation signed by President Cyril Ramaphosa in October 2020 only authorised the SIU to investigate fraud and corruption involving NLC grants.

As the SIU’s probe into grant corruption gathered steam, it became clear that hundreds of millions of rands had also been spent via questionable procurement processes.

An application for President Ramaphosa to extend the SIU mandate to allow it to investigate fraud and corruption involving dodgy procurement is at “an advanced stage”, a source with knowledge of the process told GroundUp.

Internal investigations by the NLC, as well as forensic audit firms retained by the Commission’s new board, have also identified multiple cases of dodgy procurement payments.

The SIU has seconded two of its staff to the NLC to assist with investigations into procurement, “to bolster capacity” in its forensic investigations unit, and assist with the lifestyle audits of staff.

One of the problems the NLC and SIU investigators have faced in their probe is that a large quantity of hard copy documents were destroyed and electronic files deleted to cover up corruption. Key documents stored with Metrofile, a document storage company, were signed out and disappeared.

However, investigators have managed to piece together evidence by recovering key documents from the NLC’s cloud storage system.

Using “ethics” to spend millions

Millions of rands were paid to ProEthics, which in turn paid suppliers appointed by the NLC.

A reliable source with knowledge of these payments said ProEthics paid “at least half” of the R28.4-million it received from the NLC to third-party service providers appointed by the NLC.

GroundUp has reported previously on the details of the payments to ProEthics, including a “Mental Health Day”, “Conflict of interest vetting” and an “International Fraud Week virtual conference”. These came to millions of rands each.

A handwritten signature, possibly 'M', followed by the initials 'AKJR'.

Just over a month after he was appointed acting NLC commissioner on 1 September 2022, Lionel October instructed company secretary Nompumelelo Nene to stop using ProEthics and to suspend any outstanding payments to the company.

Nene is currently on suspension and facing 145 charges. Her disciplinary inquiry began last week.

Celebs cash in

Alexandra-based Digital Dynasty is another company paid by ProEthics for services provided at NLC ethics-related events.

This included invoicing ProEthics for R200,000 for entertainer and social media “influencer” Lebo Molax to participate as a speaker or panellist at three NLC ethics events in April and May 2021. (On 5 April GroundUp revealed how Molax starred in a video for a flash mob activation that never happened which cost R1.7-million.)

Digital Dynasty also invoiced ProEthics for R100,000 for satirist and author Coconut Kelz (real name Lesogo Thlabi) to participate as a panellist at an NLC ethics event.

These rates appear to be well above industry standards.

Other fees that Digital Dynasty invoiced ProEthics for included R1.42-million to livestream an ethics-related “internal virtual conference”. The invoice is dated 30 August 2020, but the date of the conference is not stipulated.

Digital Dynasty invoiced R36,200 for “goodie bags” for an NLC staff “ethics intervention” and R135,000 for “production costs” for photographing and videoing an internal NLC event billed as “Respectful Work Environment” in May 2021.

Attempts to contact Mpho Tlhape, sole director of Digital Dynasty, using a phone number on the invoice it submitted to ProEthics, as well as several numbers listed for him with the CIPC, were unsuccessful.

Attempts to contact Thlabi, who moved to Paris in 2023, via a Twitter message and her South African cellphone number were also unsuccessful.

Flash mob

GroundUp reported last week how the NLC used MSG Group Sales, the owner of Power FM and Capricorn FM, to pay Elsisicope R1.7-million for a “flash mob activation” to celebrate Women’s Day in 2021 with a video starring Molax’s dance group Boys in Heels.

The video was supplied to GroundUp by former NLC official Mabontle Mokwebo as “proof” that the flash mob had taken place.

Molax said he had been appointed as a service provider by the NLC, which “brought in its own production team”.

Molax said that the video was shot at several locations over a few days and the dance scene was videoed in a deserted gym. The scenes in the gym were of a rehearsal, Molax said.

“All the different scenes were meant to be edited into a single video,” said Molax, who admitted that he had never seen the final product.

A handwritten signature, possibly 'M', is written in the bottom right corner. Below it, the initials 'AKR' are written in a stylized, handwritten font.

"I was 'shocked' to read [in GroundUp] how much the NLC had paid for the video. It was a few years ago and I don't remember exactly what I was paid, but it was nowhere even close to R1.7-million," he said. "I have been attacked on social media by people who think I was paid R1.7-million for the flash mob video."

When MSG invoiced the NLC for the flash mob, it made it clear that it had nothing to do with the video.

Tshifhiwa Mulaudzi, MSG managing director, previously told GroundUp that the company "had no prior or subsequent relationship" with Elscope.

"MSG Group Sales did not have any contact and was not party to any arrangements between Elscope and NLC. Due to time pressures, they [the NLC] requested MSG Group Sales to assist in paying their service provider."

Expensive equipment

The NLC also commissioned Elscope, which was responsible for the flash mob video, and other services.

A close relative of Mokwebo's husband is the sole director.

Mokwebo had been "Senior Specialist: Corporate Governance and Ethics Relations" for the NLC.

The NLC did not renew her contract when it ended last year. She has reported the NLC to the CCMA.

Elscope invoiced ProEthics on 11 November 2021 for over R2-million for an NLC "Ethics Office Mental Health Awareness Campaign". The invoice did not list the services provided. Instead, it contained a long list of expensive audio and video equipment and a MacBook Pro.

It is broken into four different sections, listed as – "Audio, Av, Av2, Structure" – with a list of equipment under each. But the total for each section is bizarrely exactly the same – R263,500. On the same invoice were: "Gift bags" for R180,000; "Staffing: mental health professional sourcing" for R150,000; and "Graphics and booklets" for R385,700.

The following day, Elscope invoiced ProEthics for over R1.1-million for "NLC fraud event production". Unlike the previous day's invoice, this one itemised the actual services provided, and included R175,800 for "Event Corporate Identity Development."

A handwritten signature, possibly 'MZ', is written in the bottom right corner. Below it, the word 'Ave' is written in a cursive script.

SIU applies to extend lottery corruption probe

Department of Justice says a decision is “expected” by month-end

18 February 2025 | By [Raymond Joseph](#)News | [South Africa](#)



The Department of Justice says a decision on the Special Investigating Unit's application to amend the 2020 Presidential Proclamation mandating it to investigate corruption involving the Lottery and its employees, is expected by the end of February. Archive photo: Ashraf Hendricks.

- A decision on the Special Investigation Unit's (SIU) application to amend the 2020 Presidential Proclamation is expected by the end of February.
- The original proclamation only allowed the SIU to investigate grants made by the National Lotteries Commission (NLC) between 1 January 2014 and 7 November 2020.
- The SIU is seeking a mandate to investigate lottery-funded projects that fall outside that period.
- It also wants to investigate fraud and corruption related to the NLC's procurement of services, which was not covered under the original 2020 proclamation.

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AKUR

- **The NLC has had new management and board since 2022 and has been assisting the SIU with its investigations.**

A decision on the application by the Special Investigating Unit (SIU) for the amendment of a 2020 Presidential Proclamation mandating it to investigate corruption involving the National Lotteries Commission (NLC) and its employees, is expected by the end of the month.

This was confirmed by the Department of Justice's spokesperson Kgalalelo Masibi. "The motivation was submitted to the Department late last year and is being prepared for submission to the Minister to recommend the authorisation of the amendment to the proclamation. A decision can be expected by the end of February 2025," Masibi told GroundUp.

The original proclamation only allowed the SIU to investigate grants made by the NLC between 1 January 2014 and 7 November 2020. This left the SIU hamstrung when investigating fraud and corruption involving the NLC's procurement of services and appointment of service providers, which ran to hundreds of millions of rand.

In its motivation to amend the proclamation, the SIU is seeking a mandate allowing it to investigate lottery-funded projects that fall outside the period covered by the original proclamation, since the NLC's corruption continued after the proclamation was gazetted.

Although the SIU couldn't directly investigate procurement, because the original proclamation did not include it, it seconded two of its officials to the NLC to assist it in its investigations into dodgy procurement.

GroundUp has also learned that the SIU and the NLC recently signed a new letter of engagement extending the relationship between the two entities by a year. Their contract expired at the end of December 2024.

The NLC's probe, which includes the assistance of the SIU's seconded officials and several damning investigations by independent audit companies, means the SIU will have a jump start in a probe into procurement if the proclamation is extended.

The NLC and the SIU have also been inundated with tip-offs. Many are from whistleblowers about dodgy grant and supply chain management fraud and corruption, some of which occurred after November 2020.

The 2020 proclamation includes an exception for the SIU to investigate alleged corruption that took place before or after the date of its publication ... "but is relevant to, connected with, incidental or ancillary to the matters ... or involve the same persons, entities or contracts".

The SIU's motivation also seeks a mandate to investigate fraud and corruption involving the NLC's supply chain management and the procurement of services.

The SIU previously told GroundUp it was investigating over 700 dodgy project grants, with more tip-offs coming in. Several NLC staff are facing disciplinary charges about their alleged involvement in dodgy procurement. Others resigned after they were charged. The SIU has also reported many of those involved to the police.

In 2022 the SIU told Parliament's Trade, Industry and Competition portfolio committee that it was investigating dodgy lottery grants valued at over R1.4-billion. Last year SIU head Advocate Andy Mothibi told the committee that the value of dodgy grants under investigation had grown to over R2-billion.

SIU spokesperson Kaizer Kganyago declined to comment on the application to extend the proclamation.



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Dodgy procurement

In 2023, the Auditor-General instructed the NLC's management to address "important internal control deficiencies identified to improve procurement and contract management". This came after the Auditor-General's NLC audit in 2021 uncovered more than R23-million in irregular expenditure and R36-million in accounting errors made in previous years. Things worsened the following year, with the Auditor-General's 2022 management report on the NLC revealing nearly R57-million in irregular expenditure due to the contravention of supply chain management legislation.

Among the issues flagged in damning reports by the Auditor-General, and by auditors appointed by the NLC, were irregular expenditure on information technology and sky-high spending on lawyers. The NLC struggled to answer a written parliamentary question about its expenditure on legal fees, as key files with details of multimillion-rand litigation expenditure have vanished.

Another area of concern is the tens of millions of rand in spending on media and communications, with a disproportionate amount paid to the Sunday World newspaper.

Millions of rand in dodgy payments were also made to NLC service providers, including a R498,000 payment to service provider Neo Consulting to investigate a computer hack that never happened.

ProEthics, which advised the NLC on ethics when the organisation was overwhelmed by rampant corruption, was also used to launder payments to service providers. The NLC paid ProEthics over R28.4-million. The company, in turn, said it paid other service providers on the NLC's instructions.

The findings of independent investigations commissioned by the NLC's new board and executive have been important in formulating disciplinary charges against implicated staff, including NLC company secretary Nompumelelo Nene.

Nene is charged with alleged irregularities in the appointments of and payments to several service providers. She is also accused of providing "false or incomplete information in submissions justifying deviations from procurement processes".

CORRECTION ON 2025-03-26 13:11

The original article incorrectly stated that ProEthics paid for a R1.7-million payment for a flash mob that never happened.

It was a different company that paid for the R1.7-million flash mob that did not happen as described here:

<https://groundup.org.za/article/how-the-lottery-paid-r17-million-for-a-flash-mob-that-never-happened/>

We apologise to ProEthics for the error. We stand by our other statements about ProEthics.

A handwritten signature in black ink, followed by the initials "ALVR" written in a similar style.

Correction regarding ProEthics

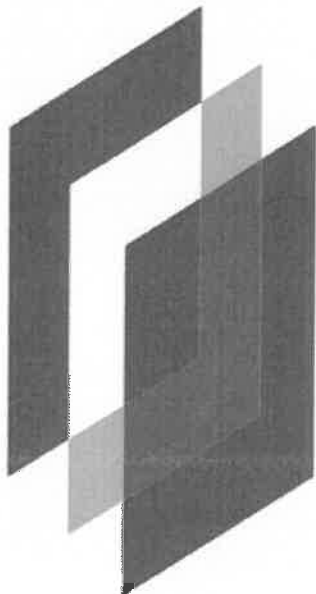
Implementation of Press Council ruling

3 July 2025 | [Brief](#) | [South Africa](#)

On 18 February we published an article stating:

ProEthics, which advised the NLC on ethics when the organisation was overwhelmed by rampant corruption, was also used to launder payments to service providers. The NLC paid ProEthics over R28.4-million. The company, in turn, said it paid other service providers on the NLC's instructions.

The Deputy Press Ombud has ruled that the use of the term "launder payments" is in breach of Section 1.2 of the Press Code. We have consequently replaced "launder payments to service providers" with "circumvent procurement processes".



Press
Council

MS
AKJR

SIU investigation into lottery corruption hamstrung by red tape

Application made 15 months ago for permission to investigate dodgy procurement deals

22 July 2025 | By [Raymond Joseph](#)News | [South Africa](#)

Listen to article summary:



1. Narrow terms of the original proclamation authorising the Special Investigating Unit (SIU) to investigate dodgy procurement at the National Lotteries Commission has hamstrung its investigations, despite the SIU having applied for an amendment to the terms 15 months ago. Photo: Steve Kretzmann
- **The Special Investigating Unit (SIU) wants to investigate potentially massive fraud, corruption and circumvention of “procurement processes” under the previous National Lotteries Commission leadership.**
- **But the narrow terms of the original proclamation authorising it to only investigate dodgy lottery grants has hamstrung the SIU, despite it having applied for an amendment to its terms 15 months ago.**
- **An Institute for Security Studies report has found the Presidential Proclamation process is mired in red tape and these delays have frustrated the recovery of funds.**
- **The SIU is owed R1-billion by state entities.**

Almost 15 months after the Special Investigating Unit applied for an amendment to the Presidential Proclamation authorising it to probe lottery corruption, the Department of Justice

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and Constitutional Development is yet to submit its recommendation to President Cyril Ramaphosa on whether to grant it..

The original October 2020 proclamation only allowed the Special Investigating Unit (SIU) to investigate grants made by the National Lotteries Commission (NLC) between 1 January 2014 and 7 November 2020.

Since then, several independent audits commissioned by the NLC have also uncovered fraud, corruption, and extensive circumvention of “procurement processes” running into hundreds of millions of rand.

But the narrow terms of the original proclamation have left the SIU hamstrung and unable to investigate the NLC procurement and appointments of service providers. The NLC is also unable to investigate potentially fraudulent or corrupt grants that fall outside the window of the 2020 proclamation.

A backlog of applications for SIU proclamations built up over several years. For the past year or so the speed at which proclamations have been granted has speeded up. But the SIU’s NLC application, submitted in April last year, has been gathering dust.

1. Red tape

An Institute for Security Studies (ISS) report on the future of the SIU, released last week, found that the proclamation process is mired in red tape. The resulting delays at the DOJCD “have sometimes amounted to several years”, according to the ISS.

“This has frustrated the recovery of funds, which can be hidden or dissipate quickly,” the ISS says. “In turn, this might delay the referral of cases to the NPA, resulting in the loss of evidence and slow down disciplinary processes for state employees”.

The ISS has recommended that SIU motivations for presidential proclamations should rather be handled by the Presidency.

Terrence Manase, spokesperson for the justice ministry, told GroundUp last week that the SIU’s NLC amendment application has not yet reached the minister’s office.

“The ministry acknowledges the seriousness of the matter and remains committed to ensuring that all allegations of corruption are addressed appropriately, within the confines of the law,” he said.

GroundUp reported in 2023 that the SIU was planning to ask for an extension of its mandate. It was submitted in April 2024.

Mashudu Netshikwera, who heads up the SIU’s team investigating the NLC, told Parliament in May that the application for an extension was submitted almost a year earlier in April 2024.

DOJCD spokesperson Kgalalelo Masibi told GroundUp that “the department is currently attending the request for an amendment”.

She said the DOJCD had “raised certain concerns with the SIU, which the SIU has since addressed. The department has completed its assessment of the request and will be advising the minister and the Presidency in due course”.

2. Millions in dodgy procurement deals await SIU



The findings of the independent investigations commissioned by the NLC's new board and executive were key in formulating disciplinary charges against implicated staff, including NLC chief operating officer Phillemon Letwaba and former NLC company secretary Nompumelelo Nene.

Among the issues flagged in damning reports by the Auditor-General and the independent auditors were irregular expenditure on information technology and sky-high spending on lawyers. The NLC struggled to answer a written parliamentary question about its expenditure on legal fees, as key files with details of multimillion-rand litigation expenditure have vanished.

Another area of concern is the tens of millions of rand in spending on media and communications, with a disproportionate amount paid to the Sunday World newspaper.

Millions of rand in dodgy payments were also made to NLC service providers, including a nearly R500,000 payment to service provider Neo Consulting to investigate a computer hack that never happened.

ProEthics, which advised the NLC on ethics when the organisation was overwhelmed by rampant corruption, was used to circumvent procurement processes. The NLC paid ProEthics over R28.4-million. The company, in turn, said it paid other service providers, which it had no part in appointing, on the NLC's instructions.

3. Bureaucracy not required by SIU Act

The Institute for Security Studies (ISS) report says the SIU is "unnecessarily hampered" by delays in the administrative processing of presidential proclamations.

First, the SIU had to assess complaints it received "against the requirements of the SIU Act to determine whether it had jurisdiction".

If the complaint met these criteria, the SIU must then "submit a motivation for a proclamation to the President via the DOJCD.

"A Directorate in the DOJCD again assesses the motivation to see whether it meets jurisdictional requirements and is feasible," the ISS report found.

"If so, the Directorate sends it to the Director-General of the DOJCD, who may escalate it to the Deputy Minister, the Minister, and ultimately the President for approval."

These delays "frustrate the purpose of the SIU Act, which is to provide for the swift recovery of state funds. The process of approvals by different DOJCD officials has evolved through a series of executive decisions and is not required by the SIU Act."

4. SIU owed R1-billion

Since 2001, 300 Presidential proclamations have been issued, the ISS said. "Of these, 164 (55%) have been issued since 2018, during President Cyril Ramaphosa's administration. In the 2024/25 financial year alone, 49 proclamations were issued. Five proclamations have been reported to date in the current year."

The SIU gets its funding from two sources: a budget from the DOJCD, and it can also bill the institutions it investigates for the services provided and retain these funds.

A handwritten signature in blue ink, followed by the initials 'AKW' in black ink.

But many of its clients, which are all state institutions, were not paying for the SIU's services, as they are required to do.

As of March 2024, the SIU had a debt book exceeding R1-billion owed by 272 state institutions, the ISS found. This led to the SIU launching Project Khokela in October 2024, with letters of demand being issued to these institutions for prompt debt settlement.

"Given the high number of new proclamations, the SIU is likely to face financial strain over the next 24 months. If unresolved, its financial reserves could be depleted in the foreseeable future."

A handwritten signature, possibly 'Nz', is written in the bottom right corner. Below it, the initials 'AKR' are also handwritten.