

**From:** "Kaamil Alli" <KAlli@thedtic.gov.za>  
**To:** "Raymond Joseph" <rayjoe@iafrica.com>  
**Sent:** Wednesday, December 17, 2025, 11:38:48 AM  
**Subject:** RE: Urgent media enquiry

Dear Raymond,

Taking into account that the assertions made by yourself are yet to be independently verified or corroborated, and cannot be taken as matters of fact at face value, below is our response as they relate to questions 1-4 of your enquiry:

- The Minister of Trade, Industry and Competition exercises oversight over the National Lotteries Commission in accordance with the Constitution, the Lotteries Act, and established public-sector governance frameworks. This oversight function is strategic, policy-based, and supervisory in nature, and must be clearly distinguished from the operational and administrative authority vested in the NLC's Board and management as the designated accounting authority.
- In this context, the Minister did not direct, approve, or participate in the formulation of the detailed eligibility criteria, procedural rules, or individual determinations under the Reparative Measures Programme. Once the Minister issued a policy mandate for the NLC to explore and implement a reparative framework aimed at ethical acknowledgement and institutional restoration, the responsibility to design and operationalise that framework lawfully and independently rested with the NLC, acting within its statutory powers and fiduciary duties.
- Consistent with constitutional principles and settled jurisprudence, the Minister was not consulted on, nor required to approve, the operational decision to limit eligibility for reparative measures to current and former NLC employees. Ministerial involvement in such decisions would have constituted impermissible interference in administration, undermining the independence of the accounting authority and blurring the constitutionally mandated separation between executive oversight and operational execution.
- The decision regarding eligibility was therefore an internal governance and operational determination, informed by legal advice and compliance obligations, including the Public Finance Management Act. It was not a decision for ministerial endorsement or rejection. To intervene in the design or beneficiary selection of the programme would have exposed the Minister to allegations of ultra vires conduct, undue influence, or politicisation, and would have compromised both the integrity of the programme and the constitutional doctrine of legality.
- Accordingly, the question of ministerial intervention does not arise. The Minister's role is not to substitute the judgment of the accounting authority or to direct

outcomes in individual or operational matters, but to ensure that the entity acts within the bounds of its mandate, the law, and sound governance principles. Where concerns are raised regarding fairness, scope, or implementation, these are appropriately addressed through institutional review mechanisms, parliamentary oversight, or judicial processes.

- The Minister is satisfied that the NLC acted within its delegated mandate, applied its mind to the legal and fiscal constraints governing the Reparative Measures Programme, and discharged its responsibilities in a manner consistent with constitutional legality, administrative rationality, and the separation of powers.

Given the above, the NLC has provided us with responses to your question 5 onwards in your enquiry

**Question 5:**

Considering the risks that people took, and the personal price many paid to expose the endemic corruption at the NLC, do you believe the decision to exclude non-NLC staff was just, fair and reasonable?

**NLC Response:**

- The NLC fully acknowledges the courage and personal sacrifice of all individuals both employees and non-employees who exposed corruption and cooperated with investigative authorities. The Reparative Measures Programme was mandated by the erstwhile Executive Authority and designed to acknowledge historic harm, support ethical redress, and rebuild trust for whistleblowers and affected employees, but was focused on non-financial, restorative actions, not monetary compensation.
- Crucially, the programme was lawfully confined to current and former NLC employees who met clearly defined criteria, including verified integrity and demonstrable harm suffered in the course of employment
- This limitation was not arbitrary, nor a reflection on the worth or contribution of non-staff whistleblowers. Rather, it was a legal necessity arising from the NLC's statutory mandate and its obligations under section 66 of the PFMA, which prohibits public entities from incurring financial obligations or providing compensation outside lawful authority and approved frameworks.

The NLC makes explicit that:

- The PFMA prohibits unauthorised payments of damages or compensation. The NLC cannot create financial obligations outside its mandate.
- Extending reparative benefits whether pecuniary or materially equivalent to individuals with no employment or contractual nexus to the NLC would have constituted an unauthorised financial commitment, exposing the Accounting

Authority and officials to personal liability. In that context, the decision was lawful, rational, and procedurally fair, and therefore meets the constitutional standard of just administrative action, even if it may be perceived as unsatisfactory from a purely moral or emotive standpoint.

**Question 6:**

Was the reputational risk of the NLC excluding non-staff whistleblowers considered when making the decision to exclude them?

**Response:**

- Yes. Reputational considerations were expressly weighed. The NLC was cognisant that excluding non-staff whistleblowers could attract adverse public commentary and criticism. However, the programme was designed to be legally compliant, PFMA-aligned, and that monetary or quasi-monetary reparations without statutory authority would amount to irregular, fruitless and wasteful expenditure.
- The NLC consciously prioritised legal compliance and fiscal integrity over reputational expediency.
- NB: Public confidence is safeguarded through adherence to law, not through unlawful expenditure motivated by sympathy or reputational pressure.
- In short, while reputational risk was considered, it could not lawfully outweigh the binding imperatives of section 66 of the PFMA. To have acted otherwise would have undermined governance, exposed the institution to adverse audit findings, and eroded rather than enhanced long-term public trust.

**Question 7:**

Why was the amount for reparations reduced from R20 million to R10 million?

**NLC Response:**

- The assertion that reparations were “reduced” from R20 million to R10 million is not accurate in law or fact. The figures announced publicly were indicative allocations for programme implementation, not guaranteed or earmarked compensation funds – it was a line item created in the NLC’s budget:
  - No funds were allocated for compensation or damages, consistent with PFMA restrictions.
  - Amounts referenced in parliamentary or public forums reflected upper-limit provisioning for administration and implementation, including inter alia:
    - Independent assessments and adjudication,
    - Legal assurance and compliance,

- Governance oversight,
  - Wellness and psychological support,
  - Skills development and reintegration support, etc
- The final budgeting of R10 million, as reflected in the 2024/25 APP, was the outcome of a lawful, Treasury-aligned budgeting process, calibrated to:
  - The non-financial nature of reparative measures,
  - The narrowed and legally permissible beneficiary pool
  - The imperative to avoid creating contingent liabilities,
  - Full compliance with section 66 of the PFMA, which prohibits unfunded or unauthorised commitments.
- It is prudent to highlight that consultations and interviews conducted were exploratory, not confirmations of financial entitlements. Accordingly, there was no lawful basis for a higher allocation once the programme's final compliant scope was confirmed.

### **Closing Clarification**

- The Reparative Measures Programme was never intended to replace statutory remedies, civil claims, labour processes, or court-ordered compensation. Where a court issues a binding order, the NLC will comply lawfully and with Treasury approval, but it cannot voluntarily pay damages outside legal authority. The NLC has made a clear distinction between reparations and damages.
- The NLC's approach reflects a deliberate balance between ethical acknowledgement and legal restraint, ensuring that historic harm is recognised without breaching the PFMA or compromising institutional integrity.

Kind Regards,

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Spokesperson to the Minister of Trade, Industry and Competition

Kind Regards

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**From:** Raymond Joseph <rayjoe@iafrica.com>

**Sent:** Friday, 12 December 2025 13:54

**To:** Kaamil Alli <KAlli@thedtic.gov.za>

**Subject:** Urgent media enquiry

**Importance:** High

Good day, Kaamil. As you are probably aware, the NLC has completed its reparations process. I will be publishing a story about this for publication on Monday, December 15. Please respond to the questions below by noon on Monday.

Please see attached questions for the urgent attention of Minister Tau.

Thanks, Raymond Joseph, GroundUp