

Good day, Mr. Sigudla. My name is Raymond Joseph and I am a reporter for GroundUp in Cape Town. I am currently looking at funding that SA Youth Movement (SAYM) has received for a rehabilitation centre in Nelspruit, an old age home in Thaba Nchu in the Free State, and for the musical Taking Back the Future.

The total amount of funding the SAYM has received from the Lottery over the years – i.e. grants to SAYM NPC, SAYM NPO, and Southern African Development Community Youth Movement – totals over R67 million.

SADCYM has also been paid as a service provider to do research for the then NLB. You also gave evidence to Parliament in 2013 motivating amendments to the Lotteries Act, including the introduction of proactive funding, which was promulgated in 2015.

I am told that the old age home in Thaba Nchu has finally been completed, but is not yet operational as it still requires approval from the Department of Social Development.

I recently visited Nelspruit and found that the rehab is still under construction and that there is an ongoing dispute with landowners in the Rhenosterkop area, where the rehab is situated. I also discovered that the local municipality has put certain conditions in place that must be met before the facility, which is yet to get DSD approval, can become operational. This includes the supply of water, power, and sewage, which could millions of rands more in investment, to install. There is also an ongoing dispute over the provision of sewerage because of fears by objectors that spillages close to a nearby dam could pollute water sources in the area.

With regard to the musical, for which the NLC gave R15-m for it to tour three provinces, I can only find evidence of a few auditions, a workshop, and two performances.

I also note that Rebotile Malomane, the wife of former NLC COO Phillemon Letwaba is a co-director with you in a company called Siza Thina Investment Holding (formerly Surgonamix).

Finally, I also note that you are a director of the Presley Chweneyagae Foundation and that Mr. Chweneyagae and the foundation were both major beneficiaries of the funding for the musical.

Please respond to my questions to rayjoe@iafrica by Friday, November 25, 2022.

Thanks, Raymond Joseph

Questions

Thaba Nchu old age home

- 1) Is the construction of the old age home now completed?
- 2) If so, when do you expect it to become operational?

- 3) Why is DSD only now being consulted about licensing the facility?
- 4) Early on in the project, SAYM was forced to move the site of the old age home because of a dispute with the local community. Why were they not consulted beforehand, which would have prevented a waste of Lottery funds, including the need for plans for the new site to be drawn up?
- 5) How much was spent in total on the construction of the old age home?
- 6) Since SAYM is a youth training and advocacy organisation, what qualified it to oversee multimillion-rand infrastructure projects?

Nelspruit rehabilitation centre

- 1) When will the construction of the old age home be completed?
- 2) Construction began before SAYM obtained planning permission. Why?
- 3) Construction began before SAYM obtained rezoning permission. Why?
- 4) There does not appear to have been proper consultation with DSD and local service providers working in the Nelspruit area on drug abuse and addiction treatment for the need for rehab in the area. Why were they not consulted?
- 5) Local landowners in the Renosterkop area say that they were never properly consulted before construction began. What was the reason for this?
- 6) The site of the rehab is yet to get its own water and power supplied, which will cost millions of rands. Local landowners are adamant that they will not allow piping and cabling for these services to cross their land. How will this be funded?
- 7) Proper sewerage facilities are yet to be provided to the site. What is SAYM doing to allay landowners' fears that spillages constitute a threat to the area's water supply? What is SAYM doing to resolve this problem?
- 8) The local Mbombela Municipality, while allowing construction to continue, has placed stringent provisions that SAYM must comply with "prior to exercising land use rights." What is SAYM doing to comply?
- 9) A proposal to the Mbombela Municipality for the construction of the rehab facility—titled PROPOSAL FOR THE CONSTRUCTION AND ESTABLISHMENT OF A MBOMBELA COMMUNITY REHAB CENTER – included a budget for "establishment and operations of a rehab centre in Kuruman in the Northern. The NLC, in fact, funded a rehab in Kuruman, which is yet to be completed. Is SAYM involved in the Kuruman rehab project?
- 10) If so, what is its involvement in that project?
- 11) The SIU is currently investigating this project. Is your organisation cooperating with their investigation?

- 12) Are you personally cooperating with the SIU investigation?
- 13) You declined to cooperate with an investigation by Nexius SB&T that was commissioned by DTIC minister Ebrahim Patel to investigate the rehab project. What was the reason for this?
- 14) How much has been spent so far on the construction of the rehab?
- 15) Since SAYM is a youth training and advocacy organisation, what qualified it to oversee multimillion-rand infrastructure projects?
- 16) How much was spent in total on the construction of the old age home?
- 17) How much more does SAYM expect to spend to complete the rehab, and how will this be funded?
- 18) Since SAYM is a youth training and advocacy organisation, what qualified it to oversee multimillion-rand infrastructure projects?
- 19) What is your relationship to Rebotile Malomane?
- 20) What is your relationship with Mr. Phillemon Letwaba

Taking Back the Future Musical

TBTF was meant to tour three provinces. I can only find an advert for shows in the Mbabane Studio 1 in Mahikeng between June 20 and 24.

Your foundation's logo and your photo appear on all publicity for TBTF. Your foundation's branding also appears on a minibus that is also branded with SAYM and NLC branding. You also attended regular events either funded or sponsored by the NLC.

Questions

- 1) What was your and/or SAYM's involvement in the staging of the musical Taking Back the Future?
- 2) What was the Presley Chweneyagae Foundations' role in the musical?
- 3) Did SAYM act as a conduit for Presley Chweneyagae Foundation to apply for this funding?
- 4) How much of the R15-m grant did SAYM receive for its involvement in the musical?
- 5) How much of the R15-m grant did the Presley Chweneyagae Foundation receive for its involvement in the musical?
- 6) How many performances were held in total, and where were these performances?

- 7) Is there any intention to revive the musical?
- 8) Expensive camera equipment and vehicles were included in the Lottery-funded grant for the musical What happened to this equipment and the vehicles after the musical had run its course?
- 9) Is there any intention to revive the musical?
- 10) According to CIPC records you are a director of the Presley Chweneyagae Foundation. Do you have any relationship with him beyond this directorship?
- 11) Have Presley Chweneyagae or his foundation been involved in any other projects involving any of SAYM's entities?

SAYM's role in motivating changes to the Lotteries Act

A report, dated October 23, 2015, by attorney Trevor Bailey was commissioned by the then-NLC board regarding a grievance matter and the subsequent suspension of the NLC's Chief Risk Officer, Bathabile Kapumha, included issues relating to grant funding to SAYM.

To assist with implementing a Special Board Resolution stopping funding to certain organisations, which included SAYM, Kapumha requested the signed Board Resolution from the then Acting Company Secretary, Thulisile Nxumalo. She informed Kapumha that Nevhutanda had refused to sign the resolution until two projects were removed from the list, namely **the South African Youth Movement ("SAYM")** and K-CAP.

The following is taken directly from the report

Kapumha was then called on several occasions to separate and joint meetings at Mampane's and Nevhutanda's offices. In these meetings, it was suggested that these two projects should be treated differently from the other projects that the Board had resolved not to fund. Kapumha responded by pointing out the irregularities that had been identified with the two projects and that the Board had resolved to cancel all projects presented to it and only the Board could overturn its decisions.

- 1) Were you aware that issues had been raised with the SAYM funding application and that the NLC board had resolved not to fund the organisation any further?*
- 2) Do you know of any reason why Professor Nevhutanda would imply that SAYM should be treated to other organisations in relation to funding?*

On a number of other occasions, Kapumha was summoned to meetings with Mampane and Nevhutanda, which were also attended by representatives of the SAYM. The SAYM alleged that they had supported the NLC during the process which led to the amendment of legislation governing the NLC and the SAYM should not, therefore, be prejudiced as a result of the irregularities with its application for funding. Kapumha replied that the irregularities

had been taken to the Board, which had resolved to cancel the funding to the SAYM. Nevhutanda responded by saying that the irregularities were not material to justify cancelling funding to the SAYM. Ultimately, both Mampane and Nevhutanda undertook to request the Board to reconsider its earlier decision to cancel funding to the SAYM.

- 3) *Who were the SAYM representatives who attended the above meeting?*

- 4) *According to transcripts of meetings of the DTI Parliamentary Portfolio Committee, you did a presentation calling for an amendment to the Lotteries Act, which subsequently happened. Bailey's report alleges that it was argued by SAYM representatives in meetings that the organisation had supported the NLC in getting the legislation changed and the SAYM should not, therefore, be prejudiced as a result of the irregularities with its application for funding.*

Please comment on this allegation

Below are further extracts from the report

The RU (Risk Unit) then informed the NLC's Grant Funding Unit, which is responsible for amongst other things communicating with beneficiaries, to inform the projects concerned (which includes SAYM) of the Board's decision. At about that time, Nevhutanda intervened and instructed Kapumha to remove the SAYM from the list of projects that the Board had decided not to fund or to discontinue funding.

- 5) *Were you aware of the board's decision to no longer fund SAYM?*

- 6) *Were you aware of Nevhutanda's intervention and instruction to Kapumha to remove SAYM from the list of projects that the Board had decided not to fund or to discontinue funding?*

The NL C had previously contracted the SAYM to do work for it. At a Stakeholder Indaba, Nevhutanda introduced one of the SAYM's directors to the audience. Nevhutanda stated that the director concerned had worked /hard to influence the relevant Parliamentary Portfolio Committee to agree to the NLC's proposals to amend the LA (Lotteries Act) and thanked the director for having done so.

- 7) *I believe that the director mentioned above is you. Please confirm or deny this.*

- 8) *What was your role in having helped get the Lotteries Act amended?*

- 9) *What were your reasons for motivating for doing so?*

10) Did the change in the law in any way benefit your organisations, SAYM NPO and SAYM NPC?

11) A change in the Lotteries Act that you motivated was the introduction of proactive funding, from which SAYM benefited in the case of the rehab in Nelspruit and the old age home in Thaba Nchu. Was SAYM therefore not conflicted by applying for, and accepting, Lottery funding?

The RU interpreted Nevhutanda's intervention to remove the SAYM from the list and thereby receive grant funding from the NLC as some form of "payback" for the SAYM's support during the process to amend the LA.

Kapumha did not agree to implement Nevhutanda's instruction and proposed and proposed that Nevhutanda take the matter to the Board. Kapumha's approach did not sit well with Nevhutanda.

12) Bailey's report alleges that the intervention to withdraw SAYM's from the list was a form of "payback" for the (SAYM) assistance in getting LA amended. Is this conclusion accurate? Please comment.