



NATIONAL LOTTERIES COMMISSION BOARD REPORT

March 2020

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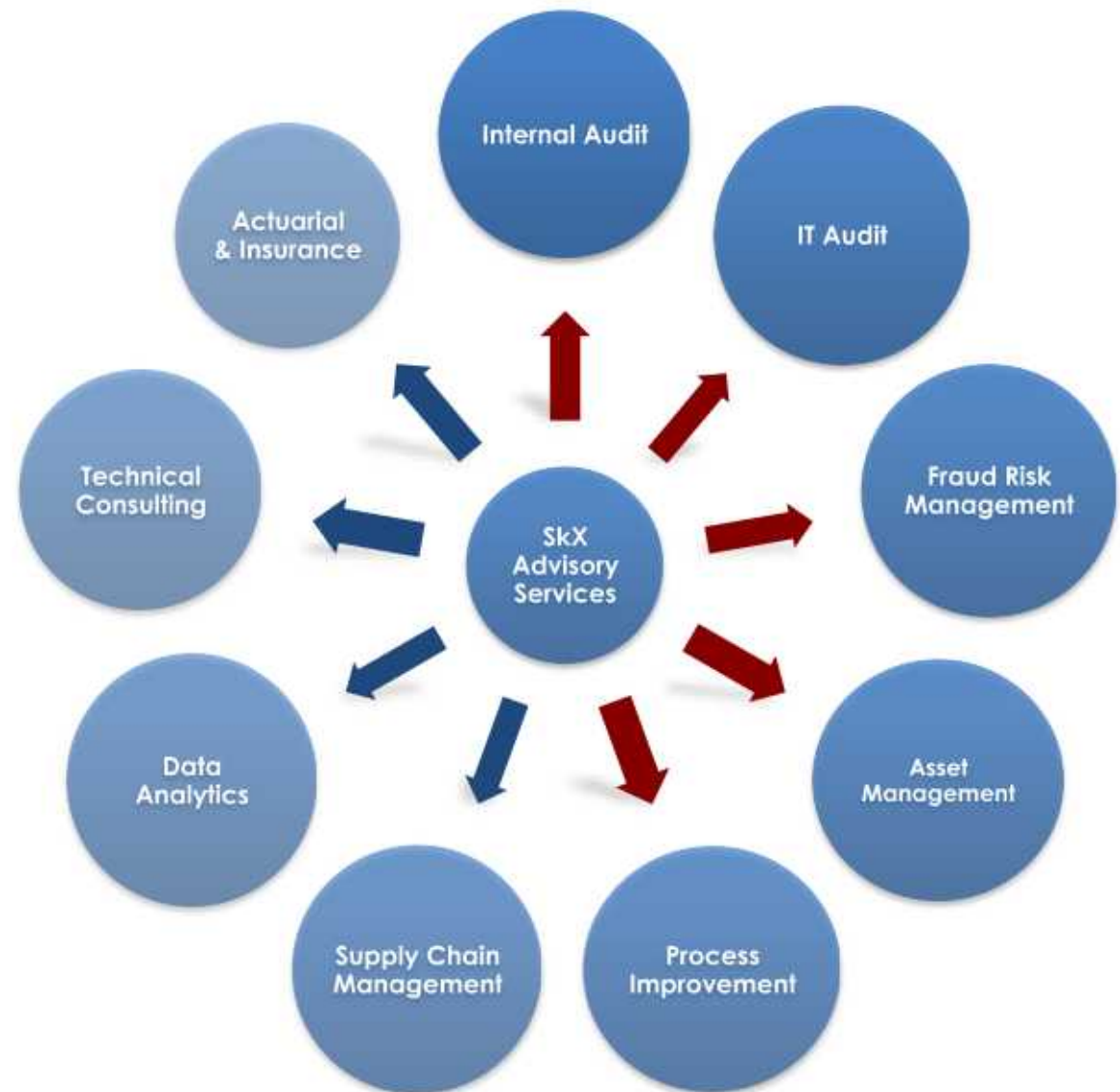
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- ✓ **Black-owned** and **black managed**
- ✓ **Formed** through the **merger** of two companies, Sekela Consulting and Xabiso Chartered Accountants in September 2012
- ✓ **Level 1** Black Economic Empowerment Contributor
- ✓ Operational for over a **decade**
- ✓ Awarded **Accounting Firm of the Year by SAPSA**
- ✓ **Global footprint:** 70 offices in more than 20 countries, and 4500 partners and Staff

BBBEE Scorecard

BEE Recognition Level	135%
Black Ownership	100%
Black Female Ownership	50%





Abel Dlamini
Chairman

BAcc, Bcompt
(Hons), CA(SA)



Lindani Dhlamini
Chief Executive
Officer

BSC (Computer
Science) CA(SA)



**Raymond
Mokgalagadi**
Chief Operations
Officer

CA (SA)



Thato Mahlamvu
Advisory Services
Director

BSC (Hons),
CISA, MBA,



Sifiso Shongwe
Transaction
Advisory
Director

BSC (Financial
Management)



Emmanuel Tem
Managing Director
SkX Africa

PhD, LLB, Research
Fellow

Our terms of reference for this project, dated 30/01/2020, entail the following:

- To establish, formally communicate and publicise all modes of submission and/or sharing of information to the public with a clear opening and closing date of the submissions.
- To formally receive, assess and process all allegations and evidence provided by beneficiaries and the public on allegations of maladministration and conflict of interest levelled against the NLC and/or its employee(s).
- To assess all media reports and allegations relating to maladministration and conflict of interest as per the newspaper articles and then fully investigate these.
- To submit a report to the Board.





- SkX Protiviti has established the following public platforms to be accessible to enable the public to report irregularities:
 - Hotline: 0860 123 772
 - Email: lotteriesanonymous@skxprotiviti.co.za
 - Post Box : NLC FRAUD HOTLINE, PO BOX 78, BRAMLEY, 2090
- These public platforms have been set up to ensure that the anonymity of the whistleblowers is preserved and that all reports are handled confidentially and with integrity
- They even reach out to the most remote areas of our country
- They are available 24 hours a day, with after hours recording enablement for the Telephonic Hotline

PROFILE OF THE CORE INVESTIGATING TEAM

Gender	Ethnicity	Investigation Experience in Years	Qualifications	Professional Affiliations	Specialty (Investigations, document analysis, handwriting expert, etc.)
Female	African	18+	<ul style="list-style-type: none"> • BCom Law Degree • Project Management Diploma • Certified Fraud Examiner (CFE) • BCom Hons (Current Studies) 	<ul style="list-style-type: none"> • ACFE • IODSA 	<ul style="list-style-type: none"> • Forensic Auditing • Forensic Investigations • Fraud Awareness Facilitator • Expert Witness • Document Analysis • Business Intelligence Analyst (Information Analyst)
Male	African	15+	<ul style="list-style-type: none"> • National Diploma in Mechanical Engineering • BCompt (Current Studies) 	<ul style="list-style-type: none"> • ACFE 	<ul style="list-style-type: none"> • Forensic Auditing • Forensic Investigations • Fraud Awareness Training • Expert Witness • Document Analysis • Business Integrity and Corporate Compliance
Male	White	22+	<ul style="list-style-type: none"> • Certified Fraud Examiner (CFE) • Certified Fraud Practitioner (ICFP) • Forensic Auditing and Criminal Justice Certificate 	<ul style="list-style-type: none"> • ACFE • ICFP 	<ul style="list-style-type: none"> • Forensic Auditing • Forensic Investigations • Fraud Awareness Facilitator • Expert Witness
Male	African	20+	<ul style="list-style-type: none"> • BCom Law • LLB • Diploma in Criminal Justice and Forensic Auditing • Certificate in Fraud Examination (CFE) • Certificate in Money Laundering 	<ul style="list-style-type: none"> • ACFE • ICFP 	<ul style="list-style-type: none"> • Forensic Investigation • Forensic Auditing • Expert Witness • Fraud Awareness Facilitator
Male	Indian	20+	<ul style="list-style-type: none"> • Certified Ethics Officer –The Ethics Institute • Certified Fraud Examiner (CFE) • Forensic Practitioner South Africa FP(SA) – Institute of Commercial Forensic Practitioners. • Diploma Criminal Justice & Forensic Audit • Certified Polygraph Examiner • Certified Forensic Hand Writing Examiner 	<ul style="list-style-type: none"> • ACFE • ICFP • SAPPAA • TEI • PSIRA 	<ul style="list-style-type: none"> • Polygraph Examiner • Handwriting Examiner • Forensic Investigations • Expert Witness

No	Description	Media Article Publication Date	Person/Entity of Interest	Value under Investigation
1	Possible irregularities in the granting of funds, possible improper due diligence conducted. Suspected fund allocation and Irregular spending	2018/02/19 2018/02/20	Mmaditshika Primary Konani_Pfunzo (private school) Comprehensive Learning Centre NLC COO Phillemon Letwaba	R59million R3,5million R8,9million R1,2million R2,6 million
2	Misappropriation of funds Possible fraudulent transaction. Due process was not followed and due diligence not conducted	2018/10/05 2019/05/16	Simba Community Develop Foundation (SCDF) - a non-compliant NPO run by a boxing promoter, Azwindini Simba	R28,5 million
3	Possible Fraud and Corruption - Application did not go through the application channels. No Due Diligence conducted. Possible conflict of interests	2018/11/22, 2018/12/14, 2019/05/13, 2019/05/16, 2019/09/06, 2019/10/22, 2019/10/31, 2019/10/25, 2020/12/20, 2020/01/23	Lesley Ramulifho; Melanie du Plessis, Dr Ado Krige, House Regeneration Denzhe Primary Care, Karabo Charles Sithole and Liesl Joy Moses, Kgomotso Letwaba, the older brother of the NLC's COO, Phillemon Letwaba, Daisy Letwaba, Spouse to COO Phillemon Letwaba, I am made 4 God's Glory (IM4GG), Upbrand Properties, Etienne Naude, Kenneth Tomoletso, Johannes "Joe" Letwaba (ex-director of Upbrand), Keneilwe Constance Maboja, the wife of Karabo Sithole, first cousin of the Letwaba brothers	R27,5 million R11,9 million R15 million R60 million

No	Description	Media Article Publication Date	Person/Entity of Interest	Value under Investigation
4	Improper utilisation of NLC funds. No due diligence conducted by NLC. Suspected fraudulent transaction and corruption	2019/05/03 2019/03/19	Zibsifusion, Dinosys, Liesl Moses, Lesley Ramulifho, Marubini Ramatsekisa, Liesl Moses, Tsietsi Joseph Tshabalala, Louisa Mangwagape, Dinosys	R20million
5	Undeclared conflict of interests and incomplete or shoddy construction project by the beneficiary. Possible fraud and corruption. Manipulation of grant funding process	2019/08/01	Phillemon Letwaba, Daisy Letwaba, Johannes Letwaba, Themba Mabundza, Life for Impact in the 21st Century, Yvonne Sibongile Kheswa, Patricia Dikeledi Nkosi, Kaone Wethu, Keneilwe Constance Maboa, Mosadi Ditshabeng Modjadji, Thabo Letwaba, Karabo Charles Sithole, Redtaq, Ironbridge, Upbrand Properties, Melanie du Plessis, Lesley Ramulifho	R8 million R2,1 million, R10,1 million R15 million
6	Conflict of Interests, Possible fraud and corruption, no due diligence conducted, Discrepancy with the NPO number, 079-579, used by Lethabong in its application, No SLA signed before fund allocation.	2019/08/05 2019/08/07 2019/08/12	PKT Consulting, Kaone Wethu, Refiloe Lebaka, Mfunzo Mkhize, Doctor Chauke, Phillemon Letwaba, Daisy Letwaba, Themba Mabundza, Johannes Letwaba, Karabo Sithole, Abrina 3641, the Sanctuary Drug Rehabilitation Centre, Rembu Construction	Undisclosed

No	Description	Media Article Publication Date	Person/Entity of Interest	Value under Investigation
7	No Due Diligence conducted, NPO Thato used as a conduit to facilitate funds for a project that was not stated on the grant application. Possible Fraud and Corruption and misstatement of financial statements.	2019/09/19	Thato Community Crisis Community, Jeanette Viljoen, Jacob Mogorotsi, Buyel'Ekhaya Pan African Music Festival owners Buyamba Cultural Organisation, Tish Loving of Mazwai Communication.	R4,8 million R5 million R6 million
8	Misuse of grant funding and abuse of grant allocation process in 2019	2019/11/04	Ndivuhuh Mafela NLC Spokesperson, Anton Van Zyl	Undisclosed
9	Possible irregularities in the granting of funds, possible improper due diligence conducted. Possible Fraud and Corruption plus conflict of interest	2019/12/06	Phillemon Letwaba, Matieni Community Centre in Limpopo, Daphne Mathobo, Ndivuhuh Mafela,- Drogmar Construction, some officials of Dr. J S Moroka municipality, Councillor John Ngodi from Dr. JS Moroka Municipality, Henrietta Ipeleng Bogopane-Zulu, Kathi Makole, Grace Tseke, Building Inspectorate for the District	R20 million

No	Description	Media Article Publication Date	Person/Entity of Interest	Value under Investigation
10	No due diligence conducted, conflict of interests and possible misappropriation of funds	2019/12/17	Raymond Joseph, Ndivuhoho Mafela, Teresa Dias, Anton van Zyl, COO Philemon Letwaba, Vhafamadi High School	R28.3 million Advertising cost, over R131 million
11	Lottery paid millions of rands to COO's wife's company. Conflict of Interest. No Due Diligence in the awarding of funds or grant. Possible Fraud and Corruption.	2020/01/28	Raymond Joseph, Themba Mabundza, Judith Nonhlanhla Mashaba, Life for impact in the 21st Century, Yvonne Sibongile Kheswa, Patricia Dikeledi Nkosi, PKT Consulting Engineers, Credo Mutwa Museum and Library, Daisy Letwaba, Rebotile Malomane, Johannes Letwaba.	R12million R4.8 million

