



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

NATIONAL LOTTERIES COMMISSION
a member of **the dti** group

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

Media Statement

NLC Addresses SANEF Concerns

For Immediate Release

6 December 2018

The National Lotteries Commission (NLC) has noted the statement issued by the South African National Editors Forum (SANEF) yesterday (5 December) in response to the NLC's presentation to parliament.

In that presentation, the Chairperson of the NLC Board, Professor Alfred Nevhutanda expressed concern about apparent breaches of the NLC's systems which include confidential information relating to beneficiaries, and indicated that the organization had reported its concerns to the State Security Agency. This has unfortunately been interpreted as an attack on the media, as articles that have appeared in some publications seem to suggest that the journalists had gained access to information that can only be accessed by people who have direct access to NLC systems.

The NLC wishes to emphasise its respect and support for media freedom and has, as far as possible maintained an open and transparent relationship with the media by responding comprehensively and timeously to all media enquiries.



CHANGING LIVES

Board Members: Ms A. Brown (Minister's Representative) Ms. DLT Dondur Mr. YN Gordhan Adv. WE Huma
Ms TS Kekana Dr MA Madzivhandila Prof NA Nevhutanda (Chairperson) Ms Nompumelelo Nene (Company Secretary)

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

A meeting between SANEF and senior leadership of the NLC has been scheduled for Friday 6th December to engage further on the concerns of both parties.

Proactive funding

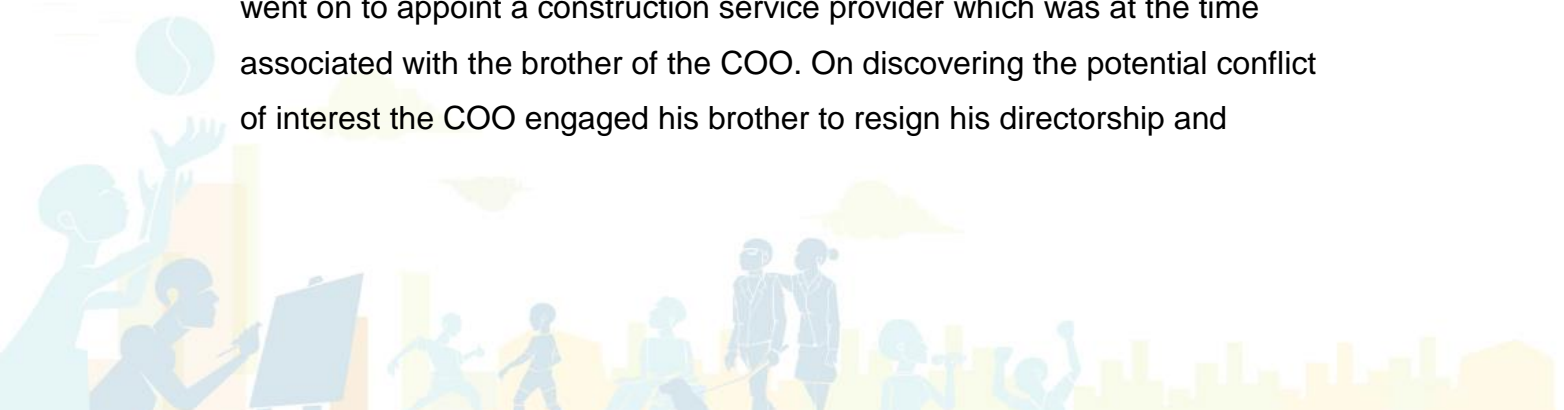
Recently the NLC proactive funding model has come under media scrutiny. The NLC's proactive funding activities are rolled out in line with the amended Lotteries Act, and governed by its regulations, which are available on the organisation's website, <http://www.nlcsa.org.za/regulations/>. The amended Lotteries Act no 32 of 2013 makes provision for proactive funding. It states "The commission may, upon request by the minister, board, or its own initiative in consultation with the board, conduct research on worthy good causes that can be funded without lodging an application as prescribed in terms of the act".

The NLC has successfully implemented the proactive funding model since 2015 with the construction of a school which was burned during the Vuwani protests. As with application based funding, proactive funding is subjected to thorough monitoring and impact evaluation.

Perceived conflict of interest

We would like to reiterate the position of the NLC with regards to allegations of possible conflict of interest involving the Chief Operations Officer of the NLC. In 2016 the Board of the NLC took a decision to fund projects that will deal with the scourge of drug and substance abuse.

Amongst the NPO's funded was Denzhe Primary Care. Denzhe subsequently went on to appoint a construction service provider which was at the time associated with the brother of the COO. On discovering the potential conflict of interest the COO engaged his brother to resign his directorship and



relinquish his shareholding of the company. The COO further declared the matter with the NLC Commissioner. There are records to this effect.

We would like to reiterate the position of the NLC with regard to issues of conflict of interest. The commission has got a strict policy with regards to declaration of conflict of interest and it is applicable to all members of the organization. It is important to highlight that NLC Board, Executive and all staff do not play any role in adjudication and allocation of grants. All grants are adjudicated and awarded by an independent panel of distributing agency members who are appointed by the Minister of Trade and Industry.

End

Issued by:

Ndivhuho Mafela

Head: Stakeholder Relations, Marketing and Communications

National Lotteries Commission

012 432 1330 / 082 737 8370

Email: Ndivhuhom@nlcsa.org.za

