



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 Concerns Regarding Denzhe Primary Care

For Immediate Release

15 November 2018

In October 2016, the National Lotteries Commission proactively funded a rehabilitation center in Pretoria through a non-profit organization, Denzhe Primary Care. This was based on priority funding areas identified by the Commission due to the high rate substance abuse in the country. This funding was approved in line with sec 2A (3) of the Lotteries Amendment Act 32 of 2013 for the building and equipping of a rehabilitation center. The project was duly adjudicated by the relevant independent distributing agency. The beneficiary complied with all mandatory requirements in terms of the funding regulations.

It is important to fully understand the structure of the NLC and its funding processes. The National Lotteries Commission consists of the Board, the Commission itself headed by Commissioner and Executive Committee. The Distributing Agencies are independent committees, responsible for evaluating and adjudication of grant applications. Ordinarily, the Commissioner, Executives or any member of staff plays no role in the adjudication and allocation of grants, except for the legislated administrative support provided to the relevant Distribution Agencies in the ARTS, Charities, Sport and Miscellaneous sectors. Decisions on funding are therefore independent.

The NLC follows strict prescribed processes and continually encourages its employees to disclose matters of conflict of interests where applicable. It has since engaged individuals who may have been highlighted in some of the issues raised around the implementation and funding of the project and is satisfied with explanations provided. Whilst people's names have occasionally



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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

been highlighted in queries relating to the project, it must be noted that the Commission funds non-profit organizations as independent legal entities and not individuals. Where organizations experience internal challenges, the Commission continues to provide support and advice. At the moment, the Commission is not aware of other challenges beyond issues raised by and between the beneficiary and its service provider.

The Denzhe Primary Care project is structurally complete and furnished. However, the Commission was made aware of challenges between the beneficiary and its service provider appointed to operate the facility (House Regeneration). Some of the challenges include issues around certification and the operations of the facility. The Commission has noted with concern that House Regeneration went on to utilize the facility without proper certification from the relevant authorities.

The Commission takes pride in all its funded projects and continually attempts, where required and necessary; to intervene, mediate and support its beneficiaries for successful implementation. Mediation attempts by the Commission did not resolve the issues and the impasse between the two parties which mainly related to the long term lease of the property on which the facility is currently built. The Commission has since instituted its own independent investigation and assessment on the matter and this is underway. The Commission is also aware that there is currently a civil matter pursued by the beneficiary against its service provider and the Commission is continuing to engage with all parties through its attorneys to find a solution to the matter and/or provide advice on the way forward and/or possible interventions the Commission should consider.

With regard to the I am made 4 God's Glory (IM4GG) project, work is complete and a progress report has been submitted to the NLC. The Commission is not aware of any challenges on this project and it has been handed over to the local municipality.

Media Enquiries:

Ndivhuho Mafela

Head: Stakeholder Relations, Marketing and Communications

012 432 1330

Email: Ndivhuhom@nlcsa.org.za

