



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3085

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Mr M J Cuthbert (DA) to ask the Minister of Trade, Industry and Competition:

- (1) Whether, with reference to the legal expenses of the National Lottery Commission (NLC) regarding litigation involving service providers since 1 March 2021, he will furnish Mr M J Cuthbert with a list of the (a) various parties litigated against and (b) legal fees for litigation involving current and/or former NLC staff; if not, what is the position in this regard; if so, what are the relevant details;
- (2) What (a) total number of persons are employed in the legal division of the NLC and (b) are their duties? NW3366E

Reply

The National Lotteries Commission has furnished me with a response to the question.

It provides a list of various parties litigated against and legal fees for litigation. I have requested that additional details be provided in respect of the specific matters covered in the legal briefs.

For the supplementary reply on legal costs, I am requesting that the NLC compiles a record of the following:

1. Total legal and consultancy costs of the various matters involving the Ministry, including but not limited to:
 - Litigation on the appointment of acting chairperson
 - Litigation on disclosure of information and appointment of forensic investigators,

- Litigation on appointment of board
 - legal or consultancy advice sought on power of Minister or the dtic in relation to the Board, including its removal
 - legal or consultancy advice sought on the disclosure of beneficiary information
 - legal or consultancy advice sought on the appointment of the forensic firm by the dtic; and the appointment of the SIU by the President
 - media consultancy or lobbying costs involving matters relating to the Ministry or the dtic
 - legal or consultancy cost in relation to disciplinary proceedings commenced by the Minister against members of the Board
2. Total legal and consultancy costs of the various matters involving any member of parliament
3. Total legal and consultancy costs of the various matters involving any journalist or media house or SANEF.

The new Board is currently reviewing the legal costs of the NLC. I will request the Board to consider that the review should cover whether legal costs of the extent covered in the reply below is justified; and to adjust the future NLC Budgets based on the outcome of the review.

In respect of the legal department of the NLC, I will be requesting the Board to commission a review of the work actually done by the Unit and each specific member of the Unit and to evaluate the outcome of such review.

The NLC advises as follows in respect of the questions:

“(1) The matters initiated by the NLC constituted 25% of litigation matters pursuant to section 10(3) of the Lotteries Act, 1997 (Act No. 57 of 1997).

(1)(a) List of all the parties litigated against:

- NLC / Boitumelo Mafonjo
- NLC / Yanga Mvakwa
- NLC / Minister of Trade, Industry & Competition
- NLC / Ithuba Holdings & 2 Others

(1)(b) Matters instituted against the NLC by current and/ or former staff:

- Mzukisi Makatse / NLC
- Tshililo Ndongyane / NLC
- Khomotso Aphae / NLC
- Sello Qhina / NLC
- NUPSAW obo Members / NLC
- Ithuba Holdings / Lotto Star & Others
- Katleho Malatsi / NLC & 4 Others
- Phillemon Letwaba / NLC & SKX

(2)(a)&(b) The Legal and Investigation Services Division, comprises of a staff complement of seven (7) employees - structured as follows:

(a) Position	(b) Duties
1 x Executive Manager: Legal	<p>The incumbent is responsible for strategic legal direction and the effective and efficient management of the Legal and Investigations Division.</p> <p>The incumbent oversees the Commission's legal compliance and management of legal risks, fraud risks as well as contractual risks.</p> <p>Provides legal support and advisory services to the NLC and the NLC Board in executing its functions as per the Commission's enabling legislation.</p> <p>Ensures safe and adequate whistleblowing arrangements are in place.</p>
1 x Legal Manager	<p>The incumbent provides operational and credible legal advice to all Commission's divisions to ensure that legal challenges are avoided, and legal and fraud risks are mitigated.</p> <p>Ensures the efficacy of legislation, practical implementation of all legislative prescripts and manage litigation when it arises whilst anticipating and acting against legal risks facing the Commission and provide general legal support to the Commission.</p> <p>Ensures that all investigations are conducted in an independent, objective and credible manner.</p>

	Manages the whistleblowing arrangements.
1 x Legal Specialist	Provision of general legal advice, legal and advisory support to the Commission. Conduction of education and awareness interventions and drafting of all contracts of the Commission. Monitoring and reporting of divisional risks (monthly & quarterly reporting).
1 x Senior Legal and Forensic Specialist	<p>The incumbent investigates all fraud and corruption and any other activities that undermine the Commission's regulatory and grant making mandate in order to ensure prosecution/civil recovery and associated disciplinary action / relevant consequence management.</p> <p>Monitors trends of impropriety and flags it for the respective divisions.</p> <p>Conducts fraud education and awareness as well as alerts to NLC stakeholders.</p> <p>Identifies and reports control weaknesses to appropriate management and identifying areas within the Commission.</p> <p>Collaborative engagements with law enforcement agencies for when there is alleged or actual acts of impropriety.</p>
1 x Forensic Officer	<p>The Forensic Officer is responsible for investigating all allegations of fraud and corruption.</p> <p>Conduction of education and awareness relating to fraud and trends.</p> <p>Reports cases to law enforcement agencies.</p> <p>Drafts investigation reports.</p>
1 x Administrative Assistant	Renders administrative support to the Commission's investigation unit.
1 x Executive Assistant	Incumbent is responsible for providing secretarial, clerical, administrative support and general office duties in order to ensure that services in the Legal Services Division are provided in an effective and efficient manner."

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