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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2454

Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:

(a) What is the policy of the National Lotteries Commission regarding reparations for staff members who were dismissed for blowing the whistle on corrupt grant disbursements, including (i) coverage of legal costs, (ii) compensation for loss of income incurred during their defence following dismissal and (iii) other related expenses, (b) on what date will such reparations be paid and (c) what measures have been implemented to protect the identities of whistleblowers who report corruption in the future? NW3852E

REPLY:

I have been advised by the National Lotteries Commission (NLC) as follows:

The National Lotteries Commission (NLC) has initiated a reparation process to address the injustices faced by staff members who were dismissed for exposing corruption in grant disbursements under the previous administration.

(a) Policy on Reparations for Dismissed Whistleblowers:

The NLC's current leadership acknowledges the severe impact on individuals dismissed for whistleblowing and is committed to making amends. Commissioner Jodi Scholtz has met with affected individuals and described their experiences as "heart-wrenching," noting that their lives were "turned upside down" due to their dismissals.

The reparation process involves:

- **Internal Engagement:** The NLC has reached out to known affected individuals, inviting them to share their experiences. This step aims to understand the extent of the harm caused and to offer formal apologies.
- **Non-Disclosure Agreements (NDAs):** To protect the confidentiality of the proceedings and the individuals involved, the NLC plans to enter into NDAs with whistleblowers. Commissioner Scholtz emphasized the importance of this measure, stating that "people hear the NLC and they think we're sitting on a pot of money."

Regarding specific aspects:

- **(i) Coverage of Legal Costs:** While the NLC has not publicly detailed plans to cover legal expenses incurred by dismissed whistleblowers, the reparation process is expected to address various forms of restitution, which may include legal costs.
- **(ii) Compensation for Loss of Income:** The NLC has not specified whether compensation for lost income during the period following dismissal will be provided. However, the reparation process aims to address the hardships faced by affected individuals, which could encompass financial compensation.
- **(iii) Other Related Expenses:** The NLC has not outlined plans to cover additional expenses related to the dismissals. The ongoing engagement with affected individuals is intended to comprehensively understand and address their needs.

(b) Timeline for Reparations:

The NLC has not announced a specific date for the disbursement of reparations. The process is in the engagement phase, with the NLC communicating with seven individuals and anticipating more to come forward. The timeline for reparations will likely depend on the outcomes of these engagements and the establishment of appropriate reparation mechanisms.

(c) Measures to Protect Future Whistleblowers:

The NLC is committed to fostering a culture of transparency and accountability. While specific measures to protect the identities of future whistleblowers have not been

detailed, the Commission is taking steps to prevent corruption and support those who report wrongdoing. This includes:

- **Collaboration with the Special Investigating Unit (SIU):** The SIU is investigating over 700 questionable projects involving more than R2 billion. Two SIU staff members have been seconded to the NLC to assist with procurement investigations, bolster forensic capacity, and conduct lifestyle audits of staff.
- **Implementation of Fraud Prevention Measures:** The NLC has uncovered multiple fraud cases through forensic audits and reported them to the South African Police Service (SAPS). This proactive approach demonstrates the Commission's commitment to addressing corruption.

These initiatives indicate the NLC's dedication to creating a safer environment for whistleblowers and ensuring that corruption is effectively addressed.

In summary, the NLC is actively working to rectify past wrongs against whistleblowers and is implementing measures to protect those who report corruption in the future. While specific details regarding reparations and protective measures are still being developed, the Commission's current actions reflect a commitment to transparency and accountability.

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