# <https://mybroadband.co.za/forum/threads/some-lotto-millions-never-reach-the-beneficiaries.989740/>

# Some Lotto millions never reach the beneficiaries

* Thread starter[Sweevo](https://mybroadband.co.za/forum/members/sweevo.136901/)
* Start date[Nov 18, 2018](https://mybroadband.co.za/forum/threads/some-lotto-millions-never-reach-the-beneficiaries.989740/)



#### [Sweevo](https://mybroadband.co.za/forum/members/sweevo.136901/)

##### **Honorary Master**

Joined

Jul 18, 2008

Messages

33,898

[Nov 18, 2018](https://mybroadband.co.za/forum/threads/some-lotto-millions-never-reach-the-beneficiaries.989740/post-22468258)

[#1](https://mybroadband.co.za/forum/threads/some-lotto-millions-never-reach-the-beneficiaries.989740/post-22468258)

<https://www.dispatchlive.co.za/news/2018-11-17-lotto-millions-never-reach-the-beneficiaries/>

Needs Camp daycare centre was granted R1.2m but it never got to the intended place. So where did it go?
By Siphe Macanda - 17 November 2018

Nomathemba Mnywabe and Lulama Victoria Hibana in Needs Camp were supposed to receive a payment from the National Lottery but it never reached them. They look after more than 50 children in this two-roomed shack Michael Pinyana

Nomathemba Mnywabe and Lulama Victoria Hibana in Needs Camp were supposed to receive a payment from the National Lottery but it never reached them. They look after more than 50 children in this two-roomed shack Michael Pinyana
A National Lottery Commission financial record has shown how R1.2-million went towards building a creche in East London last year – but the problem is that the centre never received a single cent.

And the Siyazama Daycare in Needs Camp in East London, which looks after 50 children between the ages of one and five, is still operating from a beat-up, two-roomed, peach-coloured shack.

The creche is just one of 10 NLC beneficiaries that a Daily Dispatch team visited.

Of the 10 “beneficiaries” that were visited, some said they had never received Lottery funding while others appeared to be bogus as the addresses provided were occupied by other organisations.

In one instance, a beneficiary’s address turned out to be a Walter Sisulu University student residence in Terminus Street in East London.

The “beneficiary” received R589,410 in 2015.

Concerns have also been raised over “agents” who act as “middlemen” and dupe unsuspecting Lottery funding applicants.

While NLC head of stakeholder relations Ndivhuho Mafela said Siyazama Daycare did not receive funding last year, its 2016-17 financial year annual report paints a different picture.

Siyazama Daycare administrator Nomathemba Mnywabe said they had applied for R400,000 funding in 2012 but they never got a response.

“So we assumed that our application was unsuccessful. We applied again in April this year and we’ve just got a response that our application was successful,” a visibly concerned Mnywabe said.

On a contractual agreement between the daycare and NLC seen by the Dispatch it is indicated that this year R371,000 has been approved for the daycare to build either a proper structure or purchase containers or prefab classrooms.

Her colleague Lulama Hibana said that it was concerning that there was a possibility that someone had used their 2014 application to apply for the funds.

“This is shocking because if we had such funds the creche wouldn’t be in this condition. If we got the money we wouldn’t have applied for money again this year. We would have a proper structure and playground for our children,” Hibana said.

Siyazama Daycare, is just one of many Lotto beneficiaries believed to have been duped by unscrupulous agents who allegedly collude with NLC officials to get contact details of applicants.

However, the Dispatch has seen the NLC 2016-17 annual report which shows that the NLC did disburse funding meant for Siyazama in 2017.

It is still unclear what happened to the money as the NLC has accounted for the money as having gone to the creche.

Mafela admitted that there was a problem with “agents” who preyed on applicants.

He warned potential beneficiaries to never use a middleman when applying for funding, saying they should always apply directly to the commission.

He acknowledged that where disbursement of funds were concerned there would always be potentially fraudulent activities.

“What is of concern to the NLC is the trend of prospective beneficiaries who enter into contractual agreements with purported agents of the NLC where they explicitly agree to share a percentage of the grant with the ‘agent’ as a commission or fee for the assistance received in securing funds,” he said.

The commission has a stringent application process where prospective beneficiaries have to submit audited financial statements.

They are also screened, and assessed and then the adjudication process takes 150 days. A decision is communicated within 30 days of adjudication. However, Mnywabe said that had never happened with their 2014 application.

And once approved, the money cannot be used for anything other than what it was funded for. Over the years, many applicants, which include schools have complained about being made to jump too many hoops by the NLC.

While Mafela said they had put mechanisms in place to ensure due processes were followed when processing applications, a non-profit organisation that the provincial social development department flagged as being non-compliant received a R1.5m cash injection.

Provincial social development spokesperson Mzukisi Solani said Lulutho Grooming School for Girls, which was registered with the department in 2011, last submitted its audited statements in 2012.

Lulutho Grooming School for Girls works with young girls and grooms them with leadership skills and assists with their education.

Lulutho Grooming Schools for Girls founder Yolanda Pietersen confirmed that she had not filed the documents for some years.

“I have pumped more than R500,000 into the school since 2009 and every year I take two students from Mdantsane [and put them through] university.

“It’s only in 2017 when the NLC said I should submit an application because they saw [my school] has survived for many years. I will not lie I never submitted the reports to them because I have no funding from them [social development], but if they want financials I can give them,” Pietersen said.

Social development is the registrar of NPOs.

Nozuko Ganga, the principal of Sikhulile Daycare in Gompo, said after she was approved R1m funding last year, she began receiving calls from agents who wanted to “help” her on how to spend the funds.

“I went to the Lotto offices and told them about the calls. I confronted them and asked, how do these people know that I got funding and where did they get my number.”

Mafela said the NLC had devised various mechanisms to ensure their processes were above-board, including a whistle-blowing hotline, forensic investigations and handing over matters to law-enforcement agencies for criminal investigations.

“Over and above monitoring the impact of funded organisations, the NLC’s monitoring and evaluation division, has weeded out several agents who purport to be genuine organisations through analysis of the applicants and recipients of the funds



#### [Stokstert](https://mybroadband.co.za/forum/members/stokstert.35260/)

##### **Expert Member**

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4,618

[Nov 18, 2018](https://mybroadband.co.za/forum/threads/some-lotto-millions-never-reach-the-beneficiaries.989740/post-22470080)

[#2](https://mybroadband.co.za/forum/threads/some-lotto-millions-never-reach-the-beneficiaries.989740/post-22470080)

Could have gone only one way, in someone's pockets, take your pick.



#### [Hemi300c](https://mybroadband.co.za/forum/members/hemi300c.86068/)

##### **Honorary Master**

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Dec 15, 2009

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18,542

[Nov 18, 2018](https://mybroadband.co.za/forum/threads/some-lotto-millions-never-reach-the-beneficiaries.989740/post-22470778)

[#3](https://mybroadband.co.za/forum/threads/some-lotto-millions-never-reach-the-beneficiaries.989740/post-22470778)

Yip I bet there are 100's of millions plundered from the lotto after all the cadres run it.