



**National
Prosecuting
Authority**
of South Africa

PRESS RELEASE

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**AFU AND SIU GRANTED ORDER TO PRESERVE ASSETS LINKED TO CORRUPTION
AT THE NATIONAL LOTTERIES COMMISSION**

The Asset Forfeiture Unit (AFU) of the National Prosecuting Authority and the Special Investigating Unit (SIU) have obtained a preservation order from the High Court of South Africa: Gauteng Division, Pretoria, to preserve properties and luxury vehicles linked to the siphoning of millions of Rand from the National Lotteries Commission (NLC).

The High Court order is to preserve four properties in Polokwane and Louis Trichardt, Limpopo Province, and three luxury vehicles (Rolls-Royce Phantom, BMW G30 520d Series Sedan, and BMW 7 Series Sedan M760 Li xDrive), with a combined value of approximately R14 million. The properties are preserved pending an application for a forfeiture order and registered owners are interdicted from dealing in any manner with the frozen properties. The 28 September 2023 preservation order was granted in terms of section 38 of the Prevention of Organised Crime Act, 120 of 1998.

Previously, the AFU and SIU obtained two preservation orders related to the NLC investigation, which includes 14 immovable properties with an approximate value of R67 million.

This order stems from serious maladministration and corruption at the NLC, uncovered by the SIU. The SIU was, in terms of Proclamation R32 of 2020, authorised by President Cyril Ramaphosa to investigate allegations of corruption and maladministration in the affairs of NLC and the conduct of NLC officials and to recover any financial losses suffered by the State.

The SIU investigations found fraud and corruption at the NLC to the value of approximately R344 million, where board members and senior employees of the NLC and their family members and friends enriched themselves with NLC grants allocated for projects to assist in mostly impoverished communities.

The modus operandi used by the board members and senior employees was to use non-profit organisations (NPOs) with ties to apply for NLC grant funding for certain projects. In some instances, existing NPOs were hijacked, and the original members were replaced by different members linked to NLC board members or senior staff. The project would be approved, and very little of the funds would be spent on the actual project. The offenders utilised the bulk of the funds to purchase fixed properties and expensive motor vehicles for their benefit. There would be no proper oversight of the project as the management of the NLC was involved in the theft.

In terms of the High Court order, the following assets are preserved:

Office Park in Polokwane, Limpopo: This property was purchased in November 2015 for R1 005 480. A total of R264 400 and R741 080 stolen NLC funds were transferred to pay for the property. The stolen funds originated from grant funding

of R80 million paid by the NLC to Community Development Organisation Lulamisa for hosting the Commonwealth Games in Durban. Lulamisa was hijacked to apply for the grant. The property was registered in the name of 2SP Investment Trust, a trust founded by Ntshengedzeni Alfred Nevhutanda, Chairperson of the NLC board at the time.

Vacant land in Louis Trichardt, Limpopo: This property was purchased in July 2017 for R750,000. A total of R600 000 and R20 961 stolen NLC funds were transferred to a conveyancing firm to pay the property. The stolen funds originated from grant funding of R23 720 000 paid by the NLC to the Nunnovation Africa Foundation NPC, to facilitate sports tournaments. The property was registered in the name of Fhulufhelo Promise Kharivhe, who is the live-in partner of Mokondeleli Collin Tshisimba. Both Kharivhe and Tshisimba are implicated in the first NLC preservation orders, where properties purchased with stolen NLC funds were registered in their names.

Portion of a farm in Brakspruit, Limpopo: This property was purchased in September 2017 for R780 000. A total of R750 000 and R30 000 stolen NLC funds were transferred to pay for the property. The stolen funds originated from grant funding of R9.5 million paid by the NLC to Limpopo Recreation Providers NPO for promoting cycling in Limpopo. When the NLC followed up on the project, they could not find the NPO at the address supplied in the application form. The NPO was subsequently declared delinquent as they did not provide the NLC with progress reports. The property was registered in the name of Tshisimba.

Erf 2580 Louis Trichardt Extension 11: This property was purchased in September 2019 for R900 000, a total of R700 000 and R200 000 stolen NLC funds used for payment of the property. The stolen funds originated from grant funding of R10 million paid by the NLC to Light Up Your World Foundation NPO (Light Up). Light

Up was also hijacked to apply for an NLC grant. The property was registered in the name of Twala Front, a private company with Kharivhe as its sole director.

BMW G30 520d Series Sedan: The BMW was bought in July 2017 for R995 000. A total of R595 000 stolen NLC funds was transferred to BMW Finance to settle the outstanding balance on the vehicle. The stolen NLC funds originated from grant funding of R23 720 000 paid by the NLC to Nunnovation NPO for promoting a healthy lifestyle and constructing a gymnasium. The BMW was registered in the name of Kharivhe.

BMW 7 Series Sedan M760 Li xDrive: The BMW was purchased in September 2017 for R2.8 million. A total of R1 million stolen NLC funds was paid towards the BMW as a deposit. The BMW was registered in the name of Meshack Makhubela, the son-in-law of Nevhutanda.

Rolls-Royce Phantom: The Rolls-Royce was purchased in August 2016 by Nevhuthanda for R6.3 million. Over R4.5 million of stolen NLC funds was transferred to the dealership in five payments towards the purchase price of the Rolls-Royce. The first payment of R1 million originated from an NLC grant payment of R55.4 million to Tshikovha Graduate Academy to train the community about environment, water, and sanitation. The second payment of R1 million originated from an NLC grant payment of R24,9 million to the South African Sport Confederation and Olympic Committee for promoting and developing high-performance sports. The third payment of R574 185.13 originated from an NLC grant payment of R25 million to Simba Community Development Foundation NPO, for rebuilding a secondary school torched in Vuwani Village during community protests. The fourth and fifth payments of R1 million each originated from an NLC grant payment of R80 million to Lulamisa. The Rolls-Royce was registered in the name of The Rolls-Royce was registered in the name of Pcubed Exotica.

Therefore, all the property mentioned above represents the proceeds of unlawful activity as provided for in the Prevention of Organised Crime Act. Once forfeited, the property will be sold on public auction, and the NLC compensated for their losses. This preservation is part of implementing the Anti-Corruption Strategy, which sees law enforcement agencies coming together to eradicate corruption in South Africa.

END

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**ISSUED JOINTLY BY THE SPECIAL INVESTIGATING UNIT AND THE NATIONAL
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