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Tel: +27 (0) 12 843 0001
SIU Hotline: 0800 037 774
Email: info@siu.org.za
www.siu.org.za



**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
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**SIU WELCOMES HIGH COURT'S DISMISSAL OF 999 MUSIC AND ARTHUR MAFOKATE'S
ATTEMPT TO CANCEL PRESERVATION ORDER FOR NLC-FUNDED PROPERTY IN MIDRAND**

The Special Investigating Unit (SIU) welcomes a judgment from the High Court of South Africa, Gauteng Division, Pretoria, to dismiss with costs an application brought by 999 Music and its founder Arthur Mafokate to reconsider a preservation order of a luxury property in Midrand. The property- an upmarket guest house- was purchased with funds from the National Lotteries Commission (NLC) meant for community and developmental projects, therefore it constitutes proceeds of unlawful activity.

Mafokate is the sole director of the South African Art and Development Association (SAADA), Roadshow Marketing and 999 Music. SAADA received a grant funding of R 9.3 million from the NLC to assist unemployed youth in poor and rural areas to gain skills in music, film, radio, and media production. The grant was paid in two instalments. The first half of the grant amounting to R4 650 000 was made on 28 October 2014 and the second half on 13 November 2015.

An SIU investigation had revealed that money from the SAADA account was transferred to Roadshow, thereafter it was transferred into a home loan bank account, which was used to purchase the property in Midrand for R7.5 million.

In his submission, Mafokate stated that the purpose of the funding was for a talent project which was launched on 12 March 2015. He argued that the first payment was used to pay for the required services and that he used his funds from Roadshow Marketing to complete the project. Therefore, he did not see anything wrong in using part of the grant money to buy a lodge.

The High Court found that he was indeed wrong. After examining the final project report Mafokate submitted to the NLC, Judge Mandlenkosi Percival Motha states that "according to their own

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calculations, Mr Mafokate could not have spent more than R1.8 million for the entire project. Therefore, he was supposed to pay back over R7.1 million”.

Furthermore, Judge Motha said Mafokate’s submission to the High Court raised more questions than answers and had his fingers in many pies.

“The 999 Music’s version leaves this court with more questions than answers. Indeed, this court is left with reasonable grounds to believe that the property was the proceeds of unlawful activities. It also did not help that counsel submitted that it is 8 years later, and the respondent got together what it could. This court is not persuaded that Mr. Mafokate's Roadshow Marketing carried the project as alleged,” stated Judge Motha.

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 collaborated with the National Prosecuting Authority to obtain the preservation order as part of the National Anti-Corruption Strategy, which sees law enforcement agencies coming together to eradicate corruption in South Africa. This judgment paves the way for the forfeiture application to go ahead and possibly recover the money that the NLC lost.

The preservation order of the Midrand property is part of the implementation of SIU’s investigation outcomes and consequence management to recover cash and assets lost by State institutions due to alleged corruption or negligence.

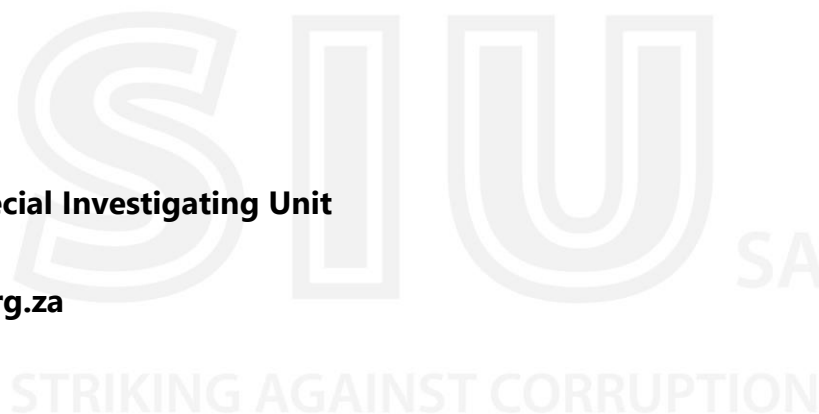
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Kaizer Kganyago

Spokesperson: Special Investigating Unit

082 306 8888

Kkganyago@siu.org.za



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