



**JOINT MEDIA STATEMENT
FOR IMMEDIATE RELEASE
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**AFU AND SIU SECURE PRESERVATION ORDER TO PROTECT MILLIONS IN
FRAUDULENTLY ACQUIRED ASSETS LINKED TO NLC GRANT FUNDING**

The Asset Forfeiture Unit (AFU) of the National Prosecuting Authority in collaboration with the Special Investigating Unit (SIU), has obtained a preservation order from the High Court of South Africa Gauteng Division to preserve four high-value properties, financial transfers, and a vehicle all linked to the siphoning of millions of rands from the National Lotteries Commission (NLC). The total value of preserved items amounts to approximately R 6.5 million.

The order, dated 24 July 2024, safeguards various assets acquired through the misappropriation of funds from the NLC to ensure that they are kept in reasonable condition until a forfeiture order has been granted. This decisive action is part of an ongoing investigation into the unlawful use of NLC grant allocations meant to support community development projects.

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

1. ERF 697 Lakefield Ext 22, City of Ekurhuleni, Johannesburg

On 22 February 2016, Konani-Pfunzo Learning Centre NPO received R55,463,735 from the NLC. Within two days, Konani-Pfunzo transferred

R55,250,000 to Tshikovha Graduate Academy (Tshikovha), which then diverted R2,641,898.88 to a law firm. This amount was used to facilitate the purchase of ERF 697 Extension Lakewood in Ekurhuleni by Mr. Moudy Madzielwana and his wife, using funds fraudulently obtained from the NLC.

2. ERF 210 Sable Hills Waterfront Estate, Pretoria

In 2015, the South African Sports Association for the Intellectually Impaired (SASA-II) received a R30 million grant from the National Lotteries Commission (NLC) to host a sports event in Bloemfontein for intellectually impaired athletes. The funds were released in two tranches of R15 million each, with the final payment made on January 28, 2016. Shortly after, SASA-II transferred over R3.9 million to Ironbridge Travelling Agency and Events, a company directed by Mr. Karabo Charles Sithole, cousin to NLC's former COO, Philemon Letwaba. On February 5, 2016, Ironbridge transferred R2 million to Ndzhuku Trading, which then used R350,000 to purchase a property for R750,000, registered under the Malwandla Siweya Family Trust.

3. Holding 46 Ironsyde Agricultural Holdings, Gauteng Province:

On 13 July 2017, the Nunnovation Africa Foundation NPO received R23,720,000 from the NLC. On 25 July 2017, Nunnovation transferred R5,000,000 to Mishsone Trading, which subsequently funnelled R2,900,000 to Upbrand Properties, a company tied to prior NLC corruption. The funds were used to purchase Holding 46 Ironsyde Agricultural Holdings in Gauteng under the name of Ms. Dimakatso Pheto.

4. ERF 3129 Louis Trichardt Ext 9, Makhado Local Municipality:

On 5 October 2017, the NLC transferred R20,000,000 to Mushumo Wu Shavha Zwanda. Mushumo then funnelled R6,000,000 to Thwala Front, a company implicated in NLC corruption cases. The funds were used for personal gain, including the purchase of property by Mr Philemon Letwaba, without securing a loan from a financial institution.

5. 2016 TOYOTA HILUX DC 2.4GD-6:

On 24 February 2016, Tshikovha transferred R1,000,000 to Mshandukani Holdings, which was used to purchase a 2016 Toyota Hilux DC 2.4GD-6. The vehicle was registered under Peldon Construction, directed by Mrs. Pretty Shandukani, the wife of the company's director, Mashudu Shandukani. This transaction was made possible through funds unlawfully transferred from the NLC grant.

The preservation order ensures that the identified assets remain secured and cannot be sold or otherwise disposed of while investigations continue. The SIU and AFU are working closely to expedite the legal process to recover the misappropriated funds and bring those involved in these fraudulent activities to justice.

The AFU and SIU remain committed to protecting public funds and ensuring that those responsible for the misuse of grant allocations are held accountable. All the properties mentioned above represent the proceeds of unlawful activity as provided for in the Prevention of Organised Crime Act. Once forfeited, the property will be sold at a public auction, and the NLC will be compensated for its losses.

This preservation is part of implementing the Anti-Corruption Strategy, which sees law enforcement agencies coming together to eradicate corruption in South Africa.

ENDS.

Enquiries:

Lumka Mahanjana:

NPA Regional Spokesperson

Gauteng Division: Pretoria

073 002 0000

lmahanjana@npa.gov.za

Or

Kaizer Kganyago

Spokesperson: Special Investigating Unit

082 306 8888

KKganyago@siu.org.za