

To: OFFICE OF PREMIER: GAUTENG PROVINCE

From: CONCERNED EMPLOYEES OF GAUTENG GAMBLING BOARD

Date: 14TH September 2023

Subject: COMPLAINT OF MALADMINISTRATION, FINANCIAL MISCONDUCT, GOVERNANCE BREAKDOWN AND INSTITUTIONAL CAPTURE AT GAUTENG GAMBLING BOARD

Dear Premier Mr Panyaza Andrek Lesufi

1. We write this letter to bring to your attention the apparent rampant governance breakdown, maladministration and financial misconduct that has been taking place at the Gauteng Gambling Board ("GGB") for a number of years now and that is showing no signs of slowing down.
2. During March 2020, the Gauteng Office of the Premier ("GOOP") commissioned an investigation into the GGB relating to allegations of impropriety, maladministration, governance breakdown and financial misconduct by the executive and senior management of the institution.
3. Sekelaxabiso Protiviti (SkX) ("SkX") was mandated by the GOOP on the 22nd of March 2020 to undertake the investigation. Amongst others, the mandate of SkX was to investigate the following allegations:
 - 3.1. Alleged diversion of funds due to GGB from a fined licensee to a Charitable Organisation at the instruction or directive of the then CEO of the GGB, and whether or not such diversion was lawful and regular in the circumstances;
 - 3.2. Fruitless and wasteful expenditure claims relating to the then GGB Board Chairperson trip to London during the course of January/February 2020 at the expense of the GGB;
 - 3.3. Fruitless and wasteful expenditure claims relating to the procurement of Ncube Incorporated Attorneys to assist the GGB in the review and amendment of the Gauteng Gambling Amendment Act, 2001; and

- 3.4. Alleged maladministration, financial misconduct and governance breakdown in relation to disbursements of funds allocated to the GGB's Socio Economic Development Department.
4. SkX produced its investigative report during September/October 2020 and seemingly sent the report to the Head of Provincial Forensic Audit in the GOOP (Ms. Papadi Makhetha). Amongst others, the following findings and recommendations are made in the report:
- 4.1. The erstwhile CEO of the GGB irregularly caused the diversion of funds due to the GGB to a charitable organisation (Intsika Yo Sizo) in circumstances where the GGB Board had not authorised that such payment be made to a charitable organisation and also in violation of the Gauteng Gambling Act as amended ("GGA") and Public Finance Management Act, 1999 ("PFMA");
- 4.2. Intsika Yo Sizo ("IYS") further seemingly irregularly received a grant of R450 000.00 from the GGB, under circumstances where the grant was paid into their bank account a mere 3 days from the date on which the GGB received the grant funding application from IYS, which funds do not appear to have been utilised by IYS to execute the project detailed in the grant funding application and where the GGB incidentally neither did not conduct any monitoring of the execution of the project or request the mandatory report on conclusion of the project, nor took issue with IYS when it became apparent that the grant had been employed for a different purpose from which it was allocated at the eventual submission of the mandatory report;
- 4.3. The GGB irregularly approved the disbursement of payments to Areaganeng Community Development totalling an estimated amount of R14 million contrary to the resolutions of the GGB Board;
- 4.4. The GGB controls regarding grant funding are extremely weak and the abovementioned incidents suggest that there might be several other irregular, corrupt or improper payments made through the grant funding system;

- 4.5. The GGB should strengthen controls regarding the grant funding system by setting out transparent processes for invitation of proposals, grant processing and imposing stringent project management and accountability processes for Beneficiaries;
 - 4.6. A further detailed investigation of grant funding going back 5 years (from 2020) be undertaken to determine if there are no further irregular, improper, unlawful and/or corrupt payments made;
 - 4.7. The erstwhile CEO of the GGB exposed the GGB to fruitless and wasteful expenditure by approving a trip by the then GGB Board Chairperson to London in or about January 2020 under circumstances where both the GGB Board and the Gauteng Premier had disapproved the Chairperson taking the trip to London; and
 - 4.8. No conclusive findings could be made in relation to the allegation summarised in paragraph 3.3 above, as SkX was not timeously provided with information regarding that allegation and a further investigation should be conducted in relation to that allegation.
5. Following the SkX report, the GGB made some serious efforts to implement the recommendations contained in the report. For instance:
- 5.1. disciplinary action was initiated against the erstwhile CEO of the GGB and the CEO is no longer with the institution;
 - 5.2. attorneys were appointed by the institution in September 2022 to assess the report recommendations and to determine which other officials at the GGB should be charged for financial misconduct and maladministration;
 - 5.3. forensic investigators were appointed on or about 22 November 2022 to investigate grant funding going back 5 years (between 2015 and 2020) be undertaken to determine if there were no further irregular, improper, unlawful and/or corrupt grant funding payments made between the years 2015 and 2020 and to determine which other

officials at the GGB should be charged for financial misconduct and maladministration;

- 5.4. various policies and regulations pertaining to the GGB were updated and signed into implementation during the course of July 2022 (including specifically a Socio Economic Development Policy and Standard Operating Procedures) to strengthen the controls around the GGB's grant funding system, limit maximum financial risk to the GGB by prescribing a maximum value of grant funding per applicant, set out transparent processes for invitation of proposals and grant processing and impose stringent project management and accountability processes for Beneficiaries; and
 - 5.5. a quarterly Audit Forensic Investigations report production mechanism was established starting from around July 2022 to monitor the implementation of the SkX report recommendations.
6. The efforts to implement the recommendations of the SkX report were made mostly through the efforts of the Executive Management and Board of the GGB that served during the period of the year 2022. A new Board, chaired by then Chairperson Advocate Andrea Platt SC had been established during this period and a mostly capable Executive Management team, headed by Mr Thiran Marimuthu as the Acting CEO, was in place during this time.
 7. The Board which had been in place during the time which was under investigation by SkX had been dissolved by then MEC of Economic Development, Agriculture and Rural Development: Gauteng Province; and the executive and senior management teams in charge of the Departments which would have been involved in decision making in relation to the areas under investigation by SkX (including CEO: Steven Ngubeni; Senior Manager, Socio Economic Development Department: Karabo Mbele and Chief Financial Officer: Mr Kgaugeio Mahlaba) were all no longer in the employ of the institution and Ms Nosipho Dladla and Mr Oscar Maripane (who were also implicated in the SkX report) would, according to the abovementioned quarterly Audit Forensic

Investigations reports, be dealt with following the conclusion of the further investigations mentioned in paragraphs 5.2 and 5.3 above.

8. While all of the abovementioned steps to implement the SkX report were underway and during the course of the last quarter of the financial year 2022/23, the GGB issued requests for applications for grant funding on both the GGB's 'Sport Development Fund' ("SDF") and 'Corporate Social Investment Fund' ("CSI"). The request for applications was done in line with the new policies and standard operating procedures that had been signed into implementation during the course of July 2022.
9. According to information that we have received from trusted sources, the current Gauteng MEC for Economic Development, MPL Tasneem Motara and her husband, had an interest to facilitate the capturing of the evaluation process regarding the GGB grant funding allocations and diverting the allocation of the funds to charitable organisations linked to her and/or her. An elaborate plan was then conjured and implemented by Ms Motara to bring her interests to fruition. The following events then took place:
 - 9.1. During the course of January 2023, shortly before the closing date for the abovementioned request for applications for grant funding on the GGB's SDF and CSI, the GGB's Acting CEO (Mr Thiran Marimuthu) was effectively terminated from his Acting position by Ms Motara for the reason that his Acting term had exceeded a period of 6 months. This was despite the fact that Ms Motara was aware that the GGB Board in place at that time was in the middle of a process to employ a permanent CEO and the Board had anticipated concluding that process imminently. In any event, the power to terminate the term of the Acting CEO rests solely with the Board as per the provisions of the GGA and the GGB's Acting Allowance Policy. It is evident from Ms Motara's correspondences with Mr Marimuthu and the Board on 18 and 19 January 2023 respectively, that she knew she had no power to terminate Mr Marimuthu's Acting position. She conveniently phrased the two correspondences in such a way that she does not explicitly say that she is terminating Mr Marimuthu's Acting position. I attach the two

correspondences to this letter as **Annexure 1** and **Annexure 2** respectively for ease of reference.

- 9.2. On the same date that Ms Motara impliedly terminated Mr Marimuthu's Acting position, she appointed Ms Karabo Mbele as the Acting CEO of the GGB. The appointment was communicated to Mr Marimuthu and the Board in the abovementioned correspondences of 18 and 19 January 2023 (Annexure 1 and Annexure 2). It is important to note (for purposes of a later discussion in this letter) that Ms Mbele was appointed as Acting CEO effective 23 January 2023 for "*a period of 6 months or until the vacancy is filled; whichever comes first*". Ms Mbele's appointment letter from Ms Motara was signed on 18 January 2023 and also stated that she is appointed Acting CEO "*Effective 23 January 2023 until 30 June 2023 or until the post is filled, whichever come first*" (sic). The appointment letter is attached to this letter as **Annexure 3** for ease of reference.
- 9.3. It should be remembered that Ms Karabo Mbele is the same person who was the head of the GGB's Socio Economic Development Department ("SED Department") during the time under investigation by SkX and would have been the very same person who evaluated and signed off the recommendations to the then CEO of the GGB for the grant funding allocations to Insika Yo Sizo ("IYS"), Areaganeng Community Development (Areaganeng") and many other CSI and SDF beneficiaries to be approved by the CEO, prepared the Board Packs for the approval of the same allocations by the Board and received for further processing the Board resolutions approving or disapproving the allocations.
- 9.4. Both Ms Motara and Ms Mbele would have known at the time of Ms Mbele's appointment that she would be an intricate part of the further forensic investigations in relation to the grant funding allocations to IYS and Areaganeng and more generally into all the grant funding allocations that took place between 2015 and 2020 (most of the time of which she was the head of the SED Department); and that she would

be the responsible person as the Acting CEO for the preparation of the quarterly Audit Forensic Investigations reports referred to in paragraph 5.5 above and thereby she would be responsible for monitoring investigations into alleged maladministration that she was a part of. As it turned out, and as we will detail further below, both the forensic investigations and the quarterly Audit Forensic Investigations reports have now irregularly been suspended by Ms Motara and Ms Mbele.

- 9.5. The GGB Board upon receiving the communication from Ms Motara that Ms Mbele had been appointed Acting CEO in the place of Mr Marimuthu (Annexure 2 to this letter), tried to resist Ms Motara's decision. The Board wrote a letter to Ms Motara on 20 January 2023 explaining the legal flaws to Ms Motara's decisions and reminding Ms Motara that a process for filling the CEO post was in any event under way. The letter from the Board to Ms Motara is attached to this letter as **Annexure 4** for ease of reference. In addition, the Board prevented Ms Mbele from taking office on 23 January 2023 pending the conclusion of the interactions between the Board and Ms Motara.
- 9.6. The Chairperson of the Board had had a meeting with Ms Motara on 14 January 2023 (five days earlier), where she advised Ms Motara that the process for appointing a permanent CEO was anticipated to be completed by 28 February 2023, with a possible commencement date of 1 April 2023. Ms Motara thus knew that a permanent CEO was in the process of appointment in less than 2 months from the date on which she appointed Ms Mbele as the new Acting CEO. Tellingly, Ms Mbele's appointment by Ms Motara was for a period of 6 months. Incidentally, the position of the CEO has currently still not been permanently filled and Ms Mbele is still the Acting CEO (unsurprisingly beyond the 6 months period she was initially appointed for).
- 9.7. In addition to the above, Ms Mbele did not meet the qualifications to serve in the position of CEO (or Acting CEO for that matter). The requirements for the position had been clearly detailed in the advertisement issued by the Board for the permanent CEO position and

it would have been known to Ms Motara that Ms Mbele does not have the critical experience to serve in the Acting position, including that she did not possess the required years of on-the-job experience. Notwithstanding this, Ms Mbele was chosen by Ms Motara as Acting CEO. Ms Mbele is now in line to being appointed permanent CEO when she does not meet the requirements to be so appointed.

- 9.8. On or about 24 January 2023, while Ms Mbele was awaiting the interactions between the Board and Ms Motara to reach conclusion, she requested Mr Marimuthu to provide her with information relating to what was under further investigation as per the SkX recommendations, copies of the GGB budget for the 2022/2023 financial year as well as information relating to the grant funding process that was under way. Very tellingly, Ms Mbele had not even taken office at this time and she was already seeking information relating to investigations regarding activities that she would potentially be implicated in and regarding the grant funding process that was under way and the budget for the 2022/2023 financial year (presumably to determine the amount of money that was allocated to the SED Department for grant funding). Mr Marimuthu has written about this in an affidavit that he deposed to during the course of May 2023 in a court matter seeking to overturn the decision to terminate his acting position and suspension.
- 9.9. Following some further exchanges between the Board and the MEC, Ms Mbele eventually took position of the Acting CEO role. The Board further resisted the appointment of Ms Mbele and on 06 February 2023 took a decision to suspend Ms Mbele for the very risks stated above relating to her potential implication in the further investigations recommended by the SkX report and that were already underway at the time. Further, the Board reasoned that no secondment agreement was ever entered into between the Gauteng Gambling Board and Tshwane Automotive Special Economic Zone (TASEZ), a subsidiary of the Gauteng Growth and Development Agency (GGDA) where Ms Mbele is currently an employee and where she was seconded from by Ms

Motara to become the GGB's Acting CEO. A copy of Ms Mbele's suspension letter is attached to this letter as **Annexure 5**.

- 9.10. Ms Mbele was instructed by Ms Motara to not honor her suspension by the Board and instead the Board was dissolved on 8 February 2023 by Ms Motara and Ms Mbele's suspension was irregularly overturned by Ms Motara.
- 9.11. Ms Mbele's very first action as the Acting CEO of the GGB was to place Mr Marimuthu (in his permanent capacity as the head of the Gaming Control Department), the Head of the GGB Legal Department and the Head of the GGB HR Department on suspension. The GGB's Assistant Company Secretary and Chief Financial Officer were eventually also placed on suspension on 14 and 22 February 2023 respectively. Ms Mbele's second action was to issue an erratum in relation to the request for applications for grant funding that had been issued by the GGB shortly before she took position as ACEO. The purpose of the erratum was to uplift the limitations placed in the initial request for applications, on the highest grant funding amount that could be allocated to approved applicants, thereby ignoring the improved directives of the disbursement policies and procedures for the Socio Economic Development department of the organisation (see paragraph 5.4 above). Ms Mbele unilaterally overruled board resolutions and decisions taken by the then Board led by Adv Anthea Platt SC without seeking any review or amendment of such resolutions.
- 9.12. The above suspensions of Mr Marimuthu, the Head of the GGB Legal Department, the Head of the GGB HR Department, the Assistant Company Secretary and the Chief Financial Officer were made for very flimsy reasons, mostly based on the alleged involvement by the suspended persons in preventing Ms Mbele from taking office on 23 January 2023 and/or the continued treatment of Mr Marimuthu as the Acting CEO post 18 January 2023. Conveniently, the suspensions paved the way for the approvals and payment of grant funds that would imminently be in the process of evaluations around that time, to take

place without mandatory oversight (and more importantly, the resistance to irregularity and maladministration) by the suspended persons. It should be noted that all the suspended persons (except the Head of HR) had held positions where the checks and balances in relation to the grant funding applications would have taken place. The Head of HR was presumably suspended so that the now vacant positions could be filled without regulatory oversight of the experienced Head of HR.

10. Upon a reading of the above, it may have been thought that in some instances we have made very gratuitous allegations to connect the appointment of Ms Mbele, the dissolution of the GGB Board and suspension of various strategic executive and senior management members of the GGB to some plot to irregularly divert the GGB's grant funding budget to charitable organisations connected to MEC Motara. However, the following events relating to the irregularity, maladministration and corruption that surrounded the evaluation of the grant funding applications received by the GGB, selection of successful grant funding applicants and allocation of grant funds will show that the allegations made above are not farfetched and have merit. All of the below is taken directly from narrations by current employees of the GGB who have taken a stand against the glaring maladministration, irregularity and corruption that has taken place at the GGB:

- 10.1. During the evaluation of the grant funding applications received during February 2023, a list of the names of the charitable institutions that were to be allocated funding was circulated within the organisation. The list apparently came from the husband of MEC Motara. The dissolved Board had apparently reported that before its dissolution by Ms Motara, she had irregularly inquired from the Board about a specific grant funding application by a charitable organisation operating under the name Gauteng Sports Confederation ("GSC"). Ms Motara requested the Board to provide her progress on that particular application.
- 10.2. Also during this period, the husband of the MEC apparently had various meetings with some of the staff members who had been appointed by

Ms Mbele to act in the place of the abovementioned suspended staff members. Amongst those who most frequently attended the meetings with the Ms Motara's husband (Phiwe Maphanga) were, the Acting Company Secretary (Mr Thapelo Bodila), the Acting CFO (Mr Oscar Maripane) and Chief of Staff of MEC Motara (Mr. William Maphutha). An investigation (through their cell phones location) into the whereabouts of these people during the period from February 2023 until now will reveal that they were at the same place on a number of occasions. We are also aware that during normal office hours, the Acting Company Secretary would frequently meet with Ms Motara's Chief of Staff (Mr William Maphutha).

10.3. On or about 11 August 2023, the current Head of the Socio Economic Development department addressed a letter to the recently appointed Board of the GGB, complaining about the irregularities and maladministration that surrounded the evaluation process relating to the grant funding allocations mentioned above. The letter from the Head of the SED department to the Board is attached to this letter as **Annexure 6**.

10.4. Amongst the complaints raised in the letter from the Head of the SED department to the Board, the following irregularities and instances of maladministration are detailed:

10.4.1. On 31 March 2023 and before the evaluation process underway at the time *"was anywhere near conclusion and while applications were literally still in the process of assessment and evaluation by the SED Committee"* letters of award were signed by Ms Mbele and sent to certain/selected applicants;

10.4.2. While the evaluation process was still underway and *"before the finalisation of the 'recommendations report' from the SED Committee"*, Service Level Agreements were processed and sent to beneficiaries by the Legal

Department under instruction from Ms Mbele and Acting Head of Legal, Mr Lesego Mokhutswane.

- 10.4.3. The allocations of grant funding also did not go through the proper approval channels since there was no Board and no Social Ethics Committee to consider the recommendations from CEO's office for approval of the grant funding allocations. The SED report with recommendations as to which applicants are most suitable to receive funds also did not serve before the Senior Management Team of the GGB for consideration and further recommendation before being sent to Ms Mbele. The approved processes/steps for evaluating and approval of SED projects are contained in the SED Policy and Standard Operating Procedures signed into implementation in July 2022 (see paragraph 5.4 above) and summarised in paragraph 4.4 of Annexure 6.
- 10.4.4. Evidently, the ACEO had received delegations of authority from MEC Motara giving her powers to approve the grant funding in the absence of the Board. What is of great concern is that the appointment of an Administrator whom would legally hold the powers of the Board upon appointment was already underway, and thus no rational basis existed for MEC Motara to delegate the Boards powers to the ACEO. Moreover, it has been a common practice in the GGB that in the absence of the Board, no grant funding was approved until the appointment of an Administrator.
- 10.4.5. When the irregularities regarding the process for evaluating and awarding grant funding were raised with Ms Mbele by the Head of the SED Department, Ms Mbele instead of working to correct those irregularities contrived a plan which resulted in the work computer of the Head of the SED Department being confiscated for a number of days and the

evidence regarding the decision-making processes that led to the irregularities she complained about, being destroyed from her computer.

The GOOP is directed to consider the full contents of Annexure 6.

11. It is clear from the above that serious maladministration, misconduct and potential corruption have occurred at the GGB. The above provides a clear cause for a detailed investigation to be undertaken by the GOOP into the process undertaken at the GGB to allocate grant funding for the 2023/2024 financial year. The Acting CEO, Acting CFO, Company Secretary and Acting Head of Legal should be suspended during the investigation.
12. The GOOP had already commissioned an investigation in 2020 into allegations of maladministration, misconduct and irregularity at the GGB including particularly in relation to allocation of grant funding. In this regard:
 - 12.1. The SkX report had indeed found that maladministration, financial misconduct and irregularity had taken place in relation to the grant funding allocations to Intsika Yo Sizo and Areaganeng Community Development during the financial years between 2018 and 2020; and recommended amongst others that measures be taken to strengthen the GGB processes around grant funding applications, evaluations and approvals.
 - 12.2. The GGB Board and Executive and Senior Management had during the course of 2022 largely made efforts to implement the recommendations from SkX and stringent procedures are now in place to manage grant funding applications, evaluations and approvals.
 - 12.3. Further investigations were commissioned by the Board to uncover past irregularities as per the recommendations of the SkX report and to identify further areas where processes can be strengthened.
13. Through the efforts of MEC Motara and Acting CEO Mbele, the work done by the previous Board and Executive and Senior Management to implement the

SkX report have largely been undone. The following is of utmost importance for the GOOP to note in this regard:

- 13.1. The further investigations recommended in the SkX report and commissioned by the Board dissolved by Ms Motara have irregularly been suspended by Ms Motara and Ms Mbele without the knowledge of the Premier. For example, the forensic investigation company that was commissioned to look into the possible irregularities around grant funding between the years 2015 and 2020 (the period when Ms Mbele was the head of the GGB's Socio Economic Development Department) had indicated its anticipation to provide a full report of its investigation by the end of April 2023. By 3 March 2023, the company (operating under the name Nexus Forensic Services (Pty) Ltd) had been irregularly instructed to halt its investigation, through the direction of Ms Mbele and Ms Motara. On 3 March 2023 the company, apparently responding to the instruction for it to halt its investigation, wrote a letter to the GGB in which it amongst others importantly stated that *"We are confident that the GGB would appreciate the possible severity of our interim observations in the progress report, namely that more than R15 million have been distributed to organisations that do not appear to have been registered as an NPO, and the application of the PFMA prescripts on this expenditure..."*. A copy of the letter from Nexus dated 3 March 2023 is attached to this letter as **Annexure 7**.
- 13.2. From the abovementioned letter from Nexus dated 3 March 2023, it is undoubtedly clear that Ms Mbele and Motara were indeed in receipt of progress reports from Nexus in relation to the investigation into irregularities in a department headed by Ms Mbele during the time which she was heading that department, that Ms Mbele is being directly implicated in the reports as the person who would have been preparing recommendation reports that resulted in grant funding moneys being disbursed to organisations that were not even registered as NPO's and that Ms Mbele would not be able to escape the final report from Nexus.

- 13.3. In an affidavit deposed to by Ms Motara in about May 2023, she lied under oath and stated that:

"25 None of the employees/officials of the GGB is privy to the pending investigation due to the sensitivity and confidentiality of the investigation. The investigation is being carried out by Nexus (Pty) Ltd. It is carried out independently of the GGB. The Administrator does have ultimate supervision over it. But he is not involved in it. Nor is Mbele as acting CEO. She will not be able to interfere with the investigation. She has no control or influence over it. The current Administrator will ensure that the investigation continues unaffected by himself, Mbele or any other employee.

26 There is not yet a report of that investigation. In the unlikely event that a report discloses that Mbele is guilty of misconduct, then disciplinary action will be taken against Mbele. Currently, there is no suggestion that Mbele is or was guilty of misconduct."

Ms Motara prepared this affidavit when it would have already been known to her that Ms Mbele was already explicitly or impliedly implicated in the progress reports presented by Nexus and that the investigation has been irregularly halted. Ms Motara also lied by stating that the GGB employees had no access to the investigation. The abovementioned letter by Nexus is directed to the GGB itself (not the Administrator) and Ms Mbele as ACEO was responsible to report on progress of the investigation to the MEC's Office and to the GOOP (see paragraph 13.4 below).

- 13.4. The quarterly Audit Forensic Investigations reports meant to monitor the progress of the investigations have also been suspended without any valid reason. Ms Motara cannot plead ignorance on the reporting

of forensic investigations as it is common cause that the entity would report to the department and subsequently to GOOP.

14. The procedures signed into implementation during July 2022 to manage grant funding applications, evaluations and approvals were blatantly disregarded by Ms Mbele, the Acting Head of Legal, the Acting CFO and the Company Secretary in approving the recent grant funding allocations.
15. We urge the GOOP to urgently take action in relation to the above, to consider commissioning the Special Investigations Unit ("SIU") to undertake the investigation and to let us know what action the GOOP intends to take. The Premier will remember the success of the recent SIU investigation into similar allegations at the National Lotteries Commission.
16. In addition to the above, we are aware that other instances of maladministration, irregularity and governance breakdown have recently been taking place at the GGB at the orchestration of Ms Karabo Mbele. Amongst others, we bring the following to the GOOP's attention:
 - 16.1. Notwithstanding the clear instruction from Ms Motara that Ms Karabo Mbele's appointment as the Acting CEO was to last until 30 June 2023 at the very latest (see paragraphs 9.1 and 9.2 above), Ms Mbele is today still the Acting CEO of the GGB. Ms Motara's keen stance that the GGB regulatory provisions prohibit an Acting CEO from acting beyond 6 months has now seemingly lost its keenness. Ms Motara was just in the last week with Ms Mbele at an induction session of the new GGB Board. The unescapable conclusion here is that Ms Motara's keen stance was only related to the removal of Mr Marimuthu in January 2023 as the Acting CEO.
 - 16.2. Interestingly, Ms Mbele in an affidavit deposed to by her in May 2023, she states that her *"present role as ACEO will soon be at an end"*, that *"The Acting Policy codifies and gives expression to a practice which has long been applied within the GGB. The Honourable Court would note that my appointment letter as ACEO is expressly capped at six months or upon the appointment of a permanent CEO, whichever event*

is sooner.” and that “Upon my appointment, I intensified efforts for the recruitment of a suitable CEO”. Four months later, Ms Mbele is unsurprisingly still the Acting CEO of the GGB.

- 16.3. Since her appointment as Acting CEO, Ms Mbele has done nothing more than to (i) ensure that the forensic investigations that may have implicated her are suspended and do not move forward, (ii) implement Ms Motara and husband’s plan to divert the GGB’s grant funding allocations to charitable organisations related to them, (iii) undermine and victimise staff who question the irregularities committed by her and/or under her supervision and (iii) oversee the manipulation of appointment of staff under her control to strategic positions within the GGB. For instance:

- 16.3.1. The service providers appointed to undertake the further investigations as per the SkX report recommendations have been suspended from continuing with the investigations.
- 16.3.2. The quarterly Audit Forensic Investigations reports meant to monitor the progress of the investigations have also been suspended.
- 16.3.3. Mr Oscar Maripane (implicated in the SkX report as having committed financial misconduct during his time as Acting CFO at the time under investigation and recommended in the SkX report to have disciplinary action taken against him for irregular payments amounting to R14 million he made to Areaganeng) was appointed by Ms Mbele to again act as CFO. Mr Maripane has now overseen further irregular payments in relation to the grant funding allocations that took place earlier this year.
- 16.3.4. Mr Thapelo Bodila was initially irregularly appointed Acting Company Secretary by Ms Mbele effective 1 April 2023 and then eventually even more irregularly appointed permanent

Company Secretary effective 1 June 2023. These two appointments happened under circumstances where the GGB Board did not at all participate in the appointment of Mr Bodila either as Acting Company Secretary or Company Secretary (in contravention of the GGB Board Charter which provides that the entire appointment process of the GGB Company Secretary must be undertaken by the GGB Board), the initial post for the appointment of a Company Secretary had to be amended to loosen the qualification criteria to suit Mr Bodila's only junior management experience and the interviewing panel for the Company Secretary post was constituted by Mr Bodila's personal friends.

- 16.3.5. A SDF & CSI Officer in the Socio Economic Department was irregularly appointed by Ms Mbele with the co-operation of the current Acting Head of the HR Department as Acting Manager: SED Department without the knowledge and/or consultation of the current Head of the SED Department, whom the Acting Manager: SED Department should report under and be given instructions by. As matters stand, the appointed Acting Manager: SED is being irregularly paid (payment approved by current Acting CFO) without undertaking any real duties related to his Acting position and is currently being used by Ms Mbele to undermine the current Head of the SED Department. The complaints regarding the appointment of the Acting Manager: SED are detailed in the letter dated 11 August 2023 from the Head of the SED Department to the current GGB Board. That letter is attached to this letter as **Annexure 6**.
- 16.3.6. Ms Mbele is trying to take advantage of the infancy of the current GGB Board to manipulate the Board into taking

decisions that advance hers and Ms Motara's apparent agenda to capture the GGB. In this regard, the Board is being manipulated into amending the organisational structure of the institution to accommodate further capture of the institution. These proposed changes are being suggested in contradiction with a recent treasury instruction by the National Treasury for cost containment measures which seeks to prevent the advertisement and filling of new posts in government departments and public entities including public entities such as the GGB.

17. The GOOP is requested to monitor the GGB Board's implementation of the above matters that has been placed before it by various staff members of the GGB's executive and senior management team.
18. The GOOP is also requested to commission a thorough investigation into the affairs of the GGB including into the irregularities surrounding grant funding for the financial year 2023/2024, decision making in all the appointments and suspensions that have taken place since January 2023 and decisions that were taken during the course of 2023 that would have required board approval. Our view is that the Special Investigations Unit would be best placed to conduct the investigation.
19. The GOOP is also requested to urgently put in place measures to arrest the maladministration at the GGB. Such measures should include the immediate suspension of Ms Mbele, the Company Secretary, the Acting CFO, the Acting Head of Legal and the Acting Head of HR. All of these people are intricately involved in the allegations detailed above and that have also been made by various senior management staff currently within the institution.
20. We also request that the Premier consider removing Ms Motara from her role as the shareholder representative overseeing the operations of the GGB. Aside from Ms Motara's alleged involvement in corruption in relation to the allocation of the GGB's grant funding processes (which allegations must be investigated to determine her involvement), it is unquestionable that Ms Motara has been

involved in a number of decisions that has promoted maladministration at the GGB, including her decision to allow Ms Mbele to continue in her capacity as Acting CEO when Ms Motara herself had specifically appointed Ms Mbele to act for a period not exceeding 6 months under circumstances where Ms Motara was so emphatic during January 2023 that allowing a CEO to act beyond 6 months is so irregular that she could not allow Mr Marimuthu (the then Acting CEO) to continue to act and continued to make such averments in her replying affidavit in the high court application heard in June 2023. Ms Motara's actions have now placed actions and her documented reply under oath as nothing more than a lie. Ms Motara has allowed her husband (Mr Phiwe Maphanga) to mingle in the affairs of the GGB by interfering in the operations of the GGB as well as various strategic decisions of the organisation.

21. We trust that the GOOP will find all of the above to be in order and request an acknowledgement of this letter as well as the processes to be undertaken by the GOOP to look into the issues raised herein, by no later than Monday, 25 September 2023.

Regards

ON BEHALF OF CONCERNED EMPLOYEES OF GGB