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A Commission established in terms of the Gambling & Betting Act, 1997 (Act No. 5 of 1997) (Eastern Cape)

PRESS STATEMENT

Response to newspaper articles about ex-employees of the Eastern Cape Gambling & Betting Board (ECGGB)

Recently there have been inaccurate media reports on the Eastern Cape Gambling and Betting Board (ECGGB) regarding its two former employees – CEO - Mr Gonza Mati and CFO – Mr Chris Guest. These reports were written and published without establishing and verifying the facts with either the acting Chief Executive Officer or in his absence, the Chairman of the Board.

It is therefore not surprising that the articles misrepresented the facts around the suspension and subsequent departure from the Board of the two former employees.

We state the facts as follows:

The **FIRST** allegations of misconduct against the CEO were reported to the Board of Directors in the second half of 2005. The allegations were investigated by SAB & T who, *inter alia*, recommended that tighter management controls be put in place in areas where weaknesses had been identified. It is important, and only fair, to record that even though a **soft warning** was given to the CEO, the ECGGB expressed serious misgivings about the manner in which an employee of the Board, and a senior manager at that, had gone about investigating the CEO un-mandated. The Board of Directors gave a **stern warning** against the said manager (who had since left the Board).

This soft warning against the CEO is what is referred to by the media as “the exoneration of the CEO”.

In December 2006, a year after the first allegations against the CEO, both the CEO and the CFO were suspended pending an investigation into allegations of misconduct. A forensic investigation was conducted by PriceWaterhouseCoopers and completed in April 2007 (Contrary to some media reports). Arising from the PriceWaterhouseCoopers report, charges of serious misconduct were formulated against both the CEO and the CFO.

On the eve of the disciplinary hearing against the CFO, he offered to resign. The Board of Directors accepted his resignation.

In the meantime, the CEO's employment contract expired by effluxion of time at the end of June 2007. With the expiry of the CEO's contract of employment he automatically ceased to be an employee of the ECGBB and consequently the disciplinary hearing was not pursued.

Be that as it may, the CEO referred an unfair dismissal dispute to the CCMA.

The arbitration hearing is part heard. It will continue on 21 and 22 January 2008.

The media and other stakeholders of the ECGBB will be advised of the outcome once the matter has been finalised.

It would, therefore, be beneficial to all concerned to allow this process to proceed unhindered without unnecessary speculation.

The Board is committed to upholding high standards of good governance as expected of it by the public and other stakeholders. Consequently any conduct, on the part of its officials, that is not congruent with this principle is dealt with expeditiously, and responsible individuals brought to book.

Issued by:

Eastern Cape Gambling & Betting Board (ECGBB)

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