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Lotto board warns on festive scam

THE man accused by the National Lottery Board (NLB) of defrauding non-governmental organisations (NGOs) has denied the allegations.

"How can I do that when I also run a charity organisation and need the money myself?" Greg Jacobs said.

Jacobs said he knew nothing about the scam the board was warning against. He threatened to take the matter to his lawyer. Jacobs, however, refused to divulge the name of his organisation and its function.

Yesterday, the board, which has been under fire over the payment of funds to welfare agencies since the inception of the lottery in 2000, issued a statement warning NGOs that a certain Greg Jacobs was behind a Christmas scam.

Spokesman Sershan Naidoo said Jacobs was contacting NGOs across the country and informing them that the National Lottery Distribution Trust Fund has awarded them a Christmas gift of R50 000.

"In order for the NGO to receive the gift, the NGO's bank details need to be provided," Naidoo said.

"The next day Greg Jacobs calls the NGO to say that he erroneously transferred R64 200 and asks for the amount paid in excess to be returned."

Naidoo said on investigation, the NGO would find that R64 200 had

indeed been paid into their account.

"However, it has been established that stolen cheques are being used to deposit the funds. Since there are no funds to honour the cheque, the unsuspecting NGO would be defrauded by paying back the surplus."

Naidoo said the Lottery Act and related

regulations did not allow "gifts" to be made to beneficiaries.

"All banking details are provided on the application form and the NLB does not usually ask for these details again. Any verification will be done by the NLB directly with the financial institution concerned."

He said beneficiaries

were advised in writing and not via the phone.

"NGOs should not give out details of their banking accounts unless they have verified the source of the inquiry."

Naidoo urged NGOs that had been contacted by Jacobs or anyone else with a similar offer to contact the nearest police station. *Sapa*

