

BRIEF HISTORY

In 2006 when unemployment situation in the country escalated, former president J. A Kuffour tasked National Lottery Authority (NLA) to create more employment for the citizenry. The National Lotto act 2006 (Act 722) was enacted to streamline and automate the lotto operation, while creating more employment. NLA in collaboration with Simnet Ghana Ltd imported thousands of Point of Sale (POS) terminals to create employment, enhance and reduce the cumbersomeness of the manual lotto operation. The implementation of the POS terminals automated the lotto operation process. In 2010, NLA imported more POS machines and collaborated with Lot Service Ghana Ltd (Lots) for technical services. NLA have a lot of the POS machines in its stores. NLA employed more Lotto Marketing Companies (LMC) as the law stipulates.

BACKGROUND

In 2018, it came to attention of the LMCs of Keed Ghana Limited using NLA 5/90 game for its operations. The revenues of the LMCs reduced drastically in 2019, as the usage of NLA 5/90 game by Keed Ghana Limited increased.

The LMCs alerted the former Director-General and the Board of NLA about Keed Ghana Limited operations and the effect on their businesses. At a meeting with the Hon. Osei Ameyaw, a former Director General of NLA in his office, he insinuated the license issued Keed Ghana Ltd. was to operate a dividend game known as Lucky 3 instead of 5/90 game.

Per the terms of the game, players were required to select 3 numbers out of a pool of 9 and play it via mobile shortcode *987#, with draws held every ten (10) minutes to determine winners.

However, after operating the Lucky 3 for a period, KEED veered off the terms of the original agreement and begun to pirate on the NLA 5/90 games using the mobile shortcode *959# without authorization from NLA and without paying any dividend or royalties to NLA. It must be noted that, the NLA5/90 game is the geese that lays eggs, therefore pirating on such a game is detrimental to the revenue mobilization efforts of the Authority.

The former Director-General assured the LMCs he would make sure Keed Ghana Limited stops its illegal operations. Indeed, the Board of NLA fined Keed Ghana Limited Ten Million Ghana Cedis (Ghs 10,000,000.00). Surprisingly, a new illegal license was issued to KGL Technologies to operate NLA 5/90, USSD, mobile and Online lettery, after Keed Ghana Limited was fined. It was later discovered that KGL Technologies was formerly known as Keed Ghana Ltd. The representatives of the one twenty thousand (120,000) LMCs chanced upon the provisional licensed agreement signed in 2020 between NLA and KGL Technologies Ltd (Formerly Keed) and were surprised at the contents.

ISSUES

1. The issuance of the lottery operating license to Keed/KGL Technologies is illegal and a clear unambiguous violation of the statutory Prohibition of the Lotto operation by persons other than NLA. The is provided for in section 4(1) of the National Lotto Act

2006 (Act 722), which gives NLA an exclusive statutory monopoly over the operations of any form of Lottery in Ghana.

2. KGL Technologies provisional License will automatically become a real license at the end of 2021. The license takes effect from 1st January, 2020 to December 2032, a ten-year duration. The LMCs and the staff of NLA are asking that, the KGL Technologies License should be revoked now since it is provisional to sustain NLA.
3. The LMCs have been the driving force of the NLA for almost sixty years. With just one game, the NLA was able to put up the Fortune House, Brenna Hall, The Human Resource Building, the estates in Adenta and renovated the old buildings in the office yard, and depositing putting more funds into Lotto account/consolidated fund than today.

WHY KGLS'S CONTRACT/OPERATION IS COLLAPSING LMCS BUSINESS.

1. NLA has restricted LMCs instant win payment to only nine hundred and sixty cedis (GHS 960.00) per ticket.
2. NLA wins above One thousand Ghana cedis (Ghs 1,000.00) should be registered at NLA office for payment. NLA has outstanding payment for prize wins as far back as November, 2020, while KGL pays instantly. Lotto is all about prompt payment, and because of KGL's prompt payment all the players have automatically diverted to their platform. NLA supervises both entities, but give KGL an undue advantage over the LMCs. This is a deliberate attempt to kick the LMCs out of business.

3. KGL concept is 36,000 times advantageous over the LMC. This confirms why LMCs business has dropped by 60%, the sad part is that NLA is taking peanut of that 60% reduction from KGL. NLA account will show how the revenue has fallen about 60%. If NLA is unconcerned of 60% reduction, the LMCs are concerned.
4. NLA is paying almost One Million Ghana Cedis (Ghs 1,000, 000) for live draw and yet, it is promoting KGL's business by running KGL's advert during commercial breaks for the live draw, as if KGL is the sponsor. It must be noted that the money for the live draw comes from the LMCs business. All that NLA is doing is to collapse the LMC business.
5. Paper roll which is the only proof of play and payment is always short in supply. How can one sell without the paper roll? Is this not another deliberate attempt to collapse the LMCs business?
6. The truth of the matter is that all the revenue is going to KGL. NLA is not able to meet its obligations to LMCs, suppliers, lotto prize winners and staff. Lotto prizes varies per game and it's the intake/loading monies that is used to run the organization, any diversion of the funds with slight increment in prize wins beyond 54% will have impact on;
 - Commission to LMCs
 - Prize wins
 - Paper Rolls
 - Staff Salaries and allowance

- Supplies invoice
- Deteriorating environment of the work place

PRO OFFICE

The NLA PRO office Razak Opoku, who has become the spokesperson for KGL is misleading the public by not properly acquainting himself with the financial status at this own organization. His reports are misrepresented and not backed by any management team. Information available to LMCs show that all the reportage he makes reference to management are not true. For the past five years, management has met less than 5 times. Our recent engagement with the NLA acting Director-General shows that he is making those political press releases under his own private company called Concerned Voters Movement (CVM). It must be noted that for someone that holds public office commenting and taking political stance in the media is against NLA's own conditions of service/HR policy and the public services commission policy. Razak Opoku must be dismissed with immediate effect.

QUESTIONS

1. Does KGL buy on prepaid basis into the lotto accounts?
2. Does NLA pay KGL commission?
3. Does KGL issue tickets to its customers?
4. Are KGL prizes/winnings being paid by NLA, or it is being controlled and paid by KGL?
5. What happens to unclaimed prizes
6. Is KGL a LMC?

SOLUTION

We the LMCs feel NLA must terminate the KGL contract as it is provisional.