

30 September 2023

TO : All SAFA NEC Members
All SAFA Regions

FROM : Ms Ria Ledwaba
Mr Elvis Shishana

RE : **THE LETTER FROM SAFA VICE-PRESIDENT BENNETT BAILEY DATED 29 SEPTEMBER 2023**

Dear Colleagues,

We write in response to the abovementioned letter brought to our attention by several SAFA Regions – and which was sent to you on abovementioned date – because of the many inaccurate claims and misinformation they simply cannot believe. Their concerns compel us to respond as follows:

The SAFA Vice-President's statement amounts to old-fashioned conjecture and speculation. In a desperate attempt to defend the indefensible, he has resorted to the use of "alternative facts".

We state unequivocally that at no point have we ever accused the Association of any misconduct or made any false or misleading allegations against any officials of the Legacy Trust or SAFA. Our efforts to hold the Trustees accountable for SAFA's money has always been accompanied by substantiation of our allegations and suspicions. As Trustees, we believe that we have always served the Trust, and by extension, SAFA's interests, with distinction and honesty in an attempt to uphold the highest standards of corporate governance.

We take exception to the characterisation that we wish to destroy what we ourselves have built with our blood, sweat and tears over countless decades as owners of clubs and administrators of the sport in the country. We remain loyal to the idea of SAFA, but not to the misdeeds of a few who have betrayed the trust of the Association in pursuit of personal glory and power.

Apart from questioning the reason why an elected official of the Association conducts such important correspondence of the Association, in violation of the SAFA Statutes, whilst there is a CEO, our concern is equally based on the individual who wrote the letter never having formed part of any official business related to the Trust but who feel perfectly justified in repeating gossip and hearsay in his letter. We respectfully defer to you whether there are other motives for this unwarranted attack on our dignity and credibility.

As has been the practice following the closure of the 2010 LOC, no person is authorised to speak on behalf of the Trust without the consent of the registered trustees. Perhaps Mr. Bailey should familiarise himself with this fact.

We dismiss the tiresome characterisation of former NEC Members who raise critical financial issues as "disgruntled" as if that description grants those who do so the license to continue abusing their powers.

For some time we have raised several poor governance issues, including asking in several NEC meetings whether the R14 million approved for men's and women's Regional leagues was distributed to Regions. We questioned without fear the repeated violation of our Statutes, e.g. calling NEC meetings in violation of the SAFA Statutes and manipulating the Statutes to suit personal agendas. But Mr. Bailey has simply ignored these and many other violations.

Let us address the specificities of Mr. Bailey's letter to demonstrate the degree of ignorance and to illustrate how he wilfully misleads the SAFA Members:

The 2010 FIFIA World Cup Legacy Trust

1. The FIFA trustees have always remained three (3), while SAFA had seven (7) trustees. SAFA appointed from the NEC the following persons: President Danny Jordaan, VP Elvis Shishana, VP Ria Ledwaba, and Honorary Member of the NEC, Mr. Obakeng Molatedi.

The following Independent trustees were also appointed: DG Alec Moemi (SRSA), Ms. Tumi Dlamini, both of whom never attended a single meeting. DG Moemi had made it clear on numerous occasions that the South African Government would not participate because its concerns were never taken seriously in the Trust. He resigned in 2019, stating his position very clearly in a strongly-worded letter.

2. The decisions of the Trust is the responsibility of trustees and not of SAFA. Instead the SAFA NEC removed the SAFA trustees in an NEC meeting under false pretences on the instigation of the SAFA President, who simply informed the NEC verbally that FIFA requested that SAFA's trustees be removed, except for Mr. Clive Grinaker. FIFA trustee, Mr. Federico Addiechi, thoroughly dismissed this disinformation by writing a letter responding to that removal, and demanding that the NEC withdraw that decision, which the NEC ignored. Mr. Addiechi stated, in part "*While FIFA's feedback is still pending, we would like to express our surprise and concern with the decision to remove the three SAFA representatives from the Trust, including the Trust's Chairperson and longest-serving member ... Accordingly, FIFA's expectation is for SAFA to revert that decision and for the three members (and in particular the Chair) to continue their functions until the soon-to-come dissolution of the Trust.*".
3. It is highly disingenuous for Mr. Bailey to claim that some trustees raised their concerns only after they lost the election. Nothing can be further from the truth because we had consistently raised our concerns long before such elections. Moreover, our concerns about governance matters in the Legacy Trust must not be politicised.

In truth, a decision was taken in the Legacy Trust meeting of the 16 April 2021 to provide trustees with all bank statements within 14 days of that meeting. By doing this, the trustees would have satisfied themselves that all approved amounts were indeed transferred to the SAFA account on behalf of the Regions or the High Performance Centre (HPC) at the University of Pretoria.

4. The trustees never took any decision that a selected number of trustees had to resign to wind up the trust. FIFA's surprise by this move is indicative of a hidden agenda at play. We have also seen a purported 2010 FIFA World Cup Legacy Trust Close-Out Report which claimed that trustees had resigned from their positions. This is a blatant lie. We have never resigned from the Trust and our names remain registered with the Master of the High Court – even though we have been systematically been excluded from all continuing business leading to the eventual closure of the Trust. We challenge Mr. Bailey to produce such resignation letters.

5. SAFA had never applied for grants to the Regions, except for specific projects, some of which were to be executed in the Regions. The Close-Out Report also indicates that grants were made directly to the Regions. What Mr. Bailey fails to convey is whether the Regions were aware that funds were being applied for on their behalf and if those funds reached the Regions? We questioned whether the NEC was aware of these requests before it was submitted to the Legacy Trust.

We quote below directly from Mr. Bailey's letter to show the absurd claims he makes and the untruths that he spreads, showing his total disrespect for SAFA's Members:

1. "it was a fund establishes by the donor, FIFA, to coordinate the distribution of the Trust funds."

RESPONSE: We repeat our previous question on the origin of the funds deposited in the Legacy Trust. In several reports to the Minister of Sports and Recreation in 2012, and to the Parliamentary Portfolio Committee on Sport and Recreation in April 2013, Mr. Jordaan stated that SAFA's "guaranteed profit" from the 2010 FIFA World Cup amounted to USD100 million. But in the same report he also reported that SAFA received USD35 million in advance and that, magically, the remaining USD65 million became a "FIFA gift". This begs the question: What then happened to SAFA's profits from the World Cup if the USD65 million was a gift from FIFA? SAFA informed the Regions on 16 May 2020 that the Legacy Trust belonged 60% to FIFA and 40% to SAFA. Our question regarding what constitutes the truth has never been answered by Mr. Jordaan.

2. "The Trustees were equally represented by both FIFA and SAFA (5 each). No one had the upper hand over the other therefore"

RESPONSE: This is an untrue statement. FIFA always had 3 representatives on the Trust and SAFA as well as Government and business constituted the remaining trustees.

3. "The issue is now raised by disgruntled former officials after the Trust has been dissolved with the participation of the trustees including, the donor who provided two Trustees and SAFA, nominated an independent Trustee."

RESPONSE: The issue was not raised AFTER the Trust was dissolved. These matters preceded the SAFA elections by years. Mr. Bailey also does not mention that FIFA opposed the removal of the trustees.

4. "how on earth do you serve on an organisation for more than 10 years and raise the issue of transparency, after losing the elections?"

RESPONSE: This statement is patently untrue. Trustees had a legal right and a fiduciary duty to raise these questions – which they did years before SAFA's elections.

5. "For the Trust to wind down, the remaining Trustees from SAFA and the donor, FIFA, had to resign,"

RESPONSE: As noted above, on whose instruction was this done and based on what policy? Even FIFA opposed it.

6. "The grant agreement in respect of the Fun Valley application was signed by former SAFA CEO Dennis Mumble on 19 May 2015 on behalf of SAFA"

RESPONSE: This statement is designed to confuse the SAFA Members. The Trust never received an application for the funds for Fun Valley. The letter confirms that much. It clearly states that the SAFA CEO signed the agreement 9 months AFTER the Legacy Trust approved the funds WITHOUT an application from SAFA. SAFA previously stated that approval was granted only in May 2015 to

purchase Fun Valley. Yet, Mr. Jordaan had already agreed a price and had taken trustees, including Mr. Jerome Valcke of FIFA, to Fun Valley on 3 October 2014.

7. "all discussions and agreements were made by the 2010 FIFA Legacy Trust Fund and NOT SAFA!!!!"

RESPONSE: On page 2 of Mr. Bailey's letter he states that "due process had to be followed with the applicant submitting the necessary request for funding to the 2010 FIFA Legacy Trust Fund. All applications were then considered based on merit by the Trustees and if agreed, then funds would be awarded accordingly".

Mr. Bailey contradicts his earlier statement that SAFA did not apply for the funds for the purchase of Fun Valley, but here he states the process for disbursing funds from the Legacy Trust. These inconsistencies are precisely the reasons why we raised these governance concerns. It is also confirmation of the inherent conflicts of interest in the dual roles played by the SAFA President.

8. "Funding of Non-Governmental Organisations (NGO'S) including Football for Hope Centres."

RESPONSE: Mr. Bailey repeats a highly misleading statement in the Legacy Trust Close-Out Report that it funded the 20 Centres for 2010 and the Football for Hope projects, giving readers the impression that the Legacy Trust built these centres.

FIFA funded these two projects from a USD70 million fund it established as part of its Win in Africa with Africa Programme. The Football for Hope project was launched in Khayelitsha on 28 July 2008, a full 3 years before the establishment of the Legacy Trust. The Legacy Trust merely made a R210,000.00 grant to each of the 20 Centres for 2010 in 2012.

9. "Once again, due process had to be followed with the applicant submitting the necessary request for funding to the 2010 FIFA Legacy Trust Fund. All applications were then considered based on merit by the Trustees and if agreed, then funds would be awarded accordingly."

RESPONSE: As noted in 7 above, Mr. Bailey contradicts his earlier statement in the same letter and also statement made by Mr. Jordaan previously and the SAFA CEO.

Poor Governance Practices at SAFA

The matters raised in this letter of ours are indicative of the troubling governance of our football association.

We raise a serious concern about an NEC Member conducting official correspondence whilst a CEO is in place, thereby violating the separation of powers principle, which is a fundamental principle of the SAFA Statutes.

We raised these matters purely in the interest of good governance and to protect the rights of SAFA's members in the interest of full transparency in the handling of their funds.

We therefore challenge Mr. Bailey to provide the Regions with proof of the following:

1. Trustees' letters of resignation;
2. Application by SAFA for Regional grants to the Trust;
3. The five names of FIFA trustees who served simultaneously on the Trust;
4. The application by SAFA for the purchase of Fun Valley.

Nothing less than full transparency should be expected of SAFA's leaders.

Yours sincerely,

Ms. Ria Ledwaba

Trustee

Mr. Elvis Shishana

Trustee