

Dossier on Governance Challenges at the South African Football Association (SAFA)

Submitted to: Confederation of African Football (CAF)

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Dossier on Governance Challenges at the South African Football Association (SAFA)

1. Background of Scope

This dossier outlines a comprehensive set of governance challenges, ethical breaches, and operational irregularities within the South African Football Association (SAFA). It addresses concerns about financial mismanagement, misuse of resources, conflicts of interest, and questionable decisions by SAFA leadership, particularly the President and the CEO.

These governance lapses have created instability within the association and jeopardized its credibility at the national and continental levels. The issues documented herein necessitate immediate CAF intervention to restore transparency, accountability, and the core mission of SAFA: the development and promotion of football in South Africa. Additionally, this document outlines recommendations for corrective measures and ongoing inquiries by CAF and other relevant stakeholders.

2. Governance Irregularities

2.1 Leadership and Governance Failures

2.1.1 Presidential Misconduct

- Despite multiple court appearances and serious allegations of fraud and theft, no internal SAFA proceedings have been initiated to address the charges against the president. (*Attached find multiple motions which never triggered any movement -marked as Supporting 1.*)

2.1.2 Undue Influence and Manipulation

- The president influenced Regional Presidents to submit templated letters of support to bolster his legal defence. This action undermines the integrity and independence of SAFA's leadership. (*Attached hereto kindly see a copy of the template - marked as Supporting 2 – Statement by Regional Presidents.*)
- The CEO has publicly defended the President and CFO, issued three media statements and mobilized 12 NEC members to support the President and CFO during court appearances, using SAFA resources. (*Attached hereto see copies of media statement marked as Supporting 3 – Media statements by CEO.*)
- The CEO has embarrassingly written a letter on behalf of SAFA which was read verbatim by the legal representative of the accused, Advocate Norman Arendse SC distancing SAFA from the criminal matter vs all 4 accused. (Attached kindly find transcribed copy of letter from the court archives marked as Supporting 4 – Transcript of the statement from the letter reportedly from SAFA CEO.)*

- The 12 NEC members who were ferried by SAFA resources to and from Johannesburg from the 12th to the 14th November 2024 are as follow:
 - a) Mr David Molwantwa [Chairperson of Membership Affairs & North-West Province]
 - b) Mr Andile Ngconjana [Vice Chairperson of Membership Affairs & Eastern Cape Province Chairperson]
 - c) Mr Tankiso Modipa [Chairperson of Western Cape Province and Fairplay, Protocol and Security]
 - d) Mr Jack Maluleke [Chairperson of Limpopo Province and Technical Committee]
 - e) Mr Erasmus Ngwenya [Chairperson KwaZulu Natal Province and Competitions]
 - f) Mr Xolo Mdlokovane [Acting Chairperson of Free State Province]
 - g) Mr Pius Nqandela [Chairperson Gauteng Province]
 - h) Mr Bennet Bailey [Vice President]
 - i) Mr Linda Zwane [Vice President]
 - j) Ms Anastacia Tsichlas [Vice President]
 - k) Mr Poobalan Govindasamy [Chairperson Legal and Statutes]
 - l) Mr Mxolisi Sibam [Chairperson of Finance and Procurement]

Two of the above even appeared in branded SAFA regalia not minding the consequences thereof.

2.1.3 Misuse of Resources for Legal Defence

- The President has utilized depleted SAFA resources to contest his legal challenges, including Hawks' raids, arrests, and related legal processes.
- High-profile legal representatives, including Advocate Arendse SC and Lesedi Mphahlele as instructing attorney, have been engaged at SAFA's expense to defend the President and CFO.

2.1.4 Conflict of Interest

Advocate Arendse, who formerly served as SAFA NEC member and continue to serve on CAF's Legal Standing Committee deployed by SAFA, now undermines SAFA's internal governance in defence of the President and CFO.

2.2 Mismanagement of Statutory Amendments

2.2.1 Statutory Alterations

- Allegations of signing off on incorrect copies of SAFA Statutes to remove age limit restrictions, bypassing the Legal and Statutory Standing Committee.

2.2.2 Elimination of Oversight

- The collapse of the Ethics Committee and alterations to committee compositions further entrenched centralized power in the presidency.

3. Financial Mismanagement

3.1 Misuse of Funds

3.1.1 Legal Expenses

- Football resources were used to challenge the Hawks' raid and arrest of the president. Advocate Arendse SC and attorney Mphahlele, typically engaged for SAFA matters, were hired to defend personal cases, funded by SAFA resources.

3.1.2 Unaccounted FIFA Funds

- A R22 million FIFA loan intended for settling historical debts was misappropriated, leaving critical obligations like regional grants, club prizes, and referees' fees unpaid.
- The FIFA Forward Project funds for the commencement of a merchandise store and facility upgrades at Fun Valley were either mismanaged or remain unaccounted for.

3.2 Questionable Contracts and Procurement

3.2.1 Fraudulent Appointment of Fortico Security

- Fortico was hired outside procurement protocols and later implicated in financial fraud. Despite Fincom's findings, NEC approval for action was blocked.

3.2.2 Unlawful Assignment and Payments

- A retrospective contract awarded to Mr. Mxolisi Sibam included a dubious advance payment of R40,000. (**Attached see Assignment Contract marked as Supporting 5.**)

3.3 Alleged Misuse of Funds for Brand Enhancement

There are serious allegations of SAFA funds being used to pay a journalist outside South Africa a monthly allowance of \$15,000 for a particular period. This payment was allegedly intended for enhancing the personal brand of the SAFA President. Such actions, if true, represent a clear conflict of interest and a misuse of organizational resources that should be directed toward football development and administration.

3.4 Abuse of Petty Cash and Credit Cards

- Allegations of resource abuse by national team managers and officials remain unresolved.

3.5 PricewaterhouseCoopers Inc (PwC) Audit Withdrawal

- The abrupt withdrawal of PricewaterhouseCoopers Inc (PwC) in July 2019 as SAFA's auditors citing reputational and liability risk alignment with SAFA raised

questions about financial integrity which was never presented to either the NEC or SFA Congress. (*Attached see 2 letters from PwC marked as Supporting 6.*)

4. Competition Integrity

4.1 Fraudulent Court Orders

- A fraudulent court order was used to deprive a qualifying KwaZulu-Natal (KZN) team of progression in national competitions. (**Attached see documents dealt with by the defunct SAFA Ethics Committee marked as Supporting 6 - Ethics & Integrity matters.**)
- **Promotion of the Responsible Individual:** Despite the fraudulent act, Mr. Erasmus Ngwenya was promoted to lead the National Competitions Committee.
- It must be noted that the Integrity Officer, in defence of the incumbent and accusing me of working with former disgruntled leaders to remove the incumbent and mixed with the bitterness of not being retained as Vice President, recommended a dismissal to the Ethics Committee. (**Attached see documents dealt with by the defunct SAFA Ethics Committee marked as Supporting 7 - Ethics & Integrity matters.**)

4.2 Violence and Mismanagement

- **Motsepe Playoffs Incident:** Allegations link Mr. Ngwenya to incidents involving live ammunition at the Motsepe National Playoffs in Pietermaritzburg. A matter that was never reported to the NEC for consideration.
- **Eastern Cape League Finalization Delays:** Mr. Ngwenya created a bogus appeal panel from KZN to interfere with Eastern Cape competitions, later overturned by court verdicts. A matter that was never reported to the NEC for consideration.

5. Operational Failures

5.1 Abuse of Authority

- **CEO's Actions:** Under the president's instructions, the CEO issued media statements supporting the president and signed off on letters distancing SAFA from criminal cases without consulting the NEC. (*Attached hereto see copies of media statement marked as Supporting 3.*)

5.2 Non-Adherence to Decisions

- The 2023 NEC-approved organogram eliminating the COO position was disregarded when the CEO appointed a COO without HR processes.

- Financial decisions, including unauthorized salary payments to the COO, remain unbudgeted.
- The CEO herself was appointed outside HR policies instantly replacing her predecessor within 24 hours.

5.3 Legacy Trust Fund Misuse

The unfulfilled resolution to procure vehicles for regional development from the 2010 FIFA Legacy Trust funds exemplifies governance failures.

6. Impact on Football Development

6.1 Discontinued Annual Inter-Provincial Tournaments

- The disappearance of inter-provincial tournaments for U-17, U-19, and U-21 teams reflects neglect in youth development.

6.2 National Teams

- **Banyana Banyana Debacles:** Issues surrounding bonus structures for the 2022 CAF WAFCON and the 2023 FIFA World Cup reflect financial mismanagement and poor planning as it was also unilaterally done without consulting the NEC.
- **Bafana Bafana Bonuses:** Unpaid bonuses for continental qualifications erode trust between players and management.
- **Bafana Bafana withdrawal from CHAN:** The decision for SAFA to withdrew the participation of Bafana Bafana citing the difficulty to assemble a competitive team and that all relevant stakeholders were consulted before arriving at the decision was incorrect and misrepresentation of facts by both the President and the CEO. The matter has never reached the NEC as an important stakeholder and decision maker. (*Attached find copies of communique to and from CAF to SAFA marked as Supporting 8 - CHAN communique.*)
- **Boys Academy Delays:** The Boys Academy has faced delays from 2023 to the present, impacting their participation and financial opportunities. (*Attached find copy of Business Plan marked as Supporting 9chan - Boys Academy.*)

7. Procedural Irregularities and Statutory Violations

7.1 Unlawful Committees and Appointments

- The Security Standing Committee, not recognized by SAFA statutes, has been operating illegally, awarding flawed contracts. (*Attached find multiple submissions marked as Supporting 10 Fortico flawed processes.*)

8. Tampering with Statutes

- The President is accused of signing off on incorrect copies of the SAFA statutes to advance his personal interests, bypassing the Legal and Statutory Committee.

9. Leadership and Governance Breakdown

9.1 Collapse of the Ethics Committee

- The absence of a functioning Ethics Committee undermines SAFA's accountability mechanisms.

9.2 Whistleblower Intimidation

- Attempts to suspend whistleblowers, including NEC members, reflect a culture of silencing dissent. (*Attached find Special NEC meeting convened to discipline whistleblowing marked as Supporting 12 – White's letter to Regions.*)

9.3 Extraordinary NEC Meetings

- Emergency meetings have been convened selectively, often bypassing due process and avoiding critical governance issues.
- Ordinary NEC meetings are held once or twice a season instead of the 4 prescribed by the Statutes. Meetings are postponed for no fundamental reasons.

10. CAF Inquest Progress

In May 2024, the Confederation of African Football (CAF) instituted an inquest into the governance and financial irregularities within SAFA. However, as of now, SAFA is still awaiting the first preliminary report from CAF. This delay raises concerns about transparency and the urgency of addressing these critical issues. (*Attached find communique from CAF marked as Supporting 11 – CAF Inquest.*)

11. CAF President's Position on Fraud and Theft Charges against his Advisor

The football community in South Africa is seeking clarity on the CAF President's stance regarding the fraud and theft charges against the SAFA President. These charges, coupled with allegations of governance failures, undermine the credibility of SAFA and its leadership. It is imperative that CAF provides a public statement on the matter, outlining its position and the steps it intends to take to ensure accountability.

12. Escalating Risks and Immediate Threats to Football Integrity

12.1 Violence and Threats to Witnesses

The situation surrounding the Palm Ridge Commercial Court proceedings has dangerously escalated, with allegations of potential violence. Reports suggest that followers of the accused are allegedly conspiring to employ "Inkabis" (hitmen) to target key witnesses from a list of 19 individuals. This strategy aims to eliminate dissenting voices both externally and internally, threatening the safety of individuals and further destabilizing SAFA.

Such actions, if proven, constitute a grave threat not only to the legal process but also to the integrity of South African football as a whole. Immediate intervention is required to ensure the safety of witnesses and the sanctity of the judicial process.

12.2 Destabilization of Northern Cape Province

The SAFA President is reportedly collaborating with former disgruntled NEC members from the Northern Cape to undermine the province's stability. This alleged maneuvering seeks to bolster his position and extend his tenure at the helm of SAFA. The destabilization of a key provincial structure risks further fragmenting the football administration and alienating stakeholders who are already disillusioned by ongoing governance failures.

12.3 Potential Loss of Sponsorships

The failure to act decisively against the SAFA President and his co-accused poses an existential risk to football in South Africa. There is a real and immediate danger that sponsors could terminate their relationships en masse due to the toxic environment and reputational damage caused by the ongoing scandals. Sponsorship terminations would have devastating financial and operational consequences for SAFA, further jeopardizing football development at all levels.

13. Recommendations for CAF Intervention

13.1 Immediate Actions

13.1.1 Suspend the President, CEO and CFO

- The SAFA President and any other implicated officials should be suspended with immediate effect to allow investigations and legal processes to proceed without interference.
- The suspension will demonstrate a commitment to accountability and the rule of law.

13.1.2 Audit of Financial Records

- Commission an independent forensic audit into the financial records including FIFA funds, legal and security expenses, Legacy Trust funds, and other revenue streams.

13.1.3 Immediate Transparency

- SAFA should disclose all payments to external parties, including those made for alleged brand enhancement, to ensure accountability.

13.1.4 Revive the Ethics Committee

- Appoint credible, independent members to lead an inquiry into governance failures.

13.1.5 Legal Proceedings

- Hold individuals accountable for misuse of funds and unlawful appointments, ensuring restitution with interest.

13.2 Structural Reforms

13.2.1 Statutory Compliance

- Mandate a review of the SAFA statutes to align with FIFA and CAF guidelines, ensuring no unilateral amendments are made in the future.

13.2.2 Restructure Leadership

- Require open, transparent, and merit-based selection processes for key positions, including the COO and other positions.

13.2.3 Reinstate Developmental Tournaments

- Prioritize the return of inter-provincial tournaments to support youth development.

13.2.4 Reinstate Oversight Committees

- Revive the Ethics Committee and ensure the independence of statutory committees.

13.2.5 Transparent Procurement

- Strengthen procurement policies and enforce accountability in contracts.

13.3 Oversight Mechanisms

13.3.1 CAF Inquiry Updates

- **CAF Action Plan:** CAF must expedite the inquest and release the preliminary findings, providing clarity on the status of governance in SAFA.

- **Stakeholder Engagement:** CAF and SAFA must engage stakeholders, including clubs, players, and sponsors, to restore trust in the leadership of South African football.
- **Independent Oversight:** Appoint an independent panel to investigate allegations of financial misuse, including payments to journalists, and recommend disciplinary actions where necessary.
- **Governance Workshops:** Partner with CAF to conduct governance and compliance workshops for SAFA leadership.
- Ensure that findings are shared with SAFA stakeholders and implemented rigorously.
- CAF should escalate its involvement, considering the risk of violence and the potential collapse of SAFA's governance framework.

13.4 Engagement with Sponsors

- Engage with current sponsors to reassure them of SAFA's commitment to restoring integrity and resolving the crisis.
- Appoint a high-level independent task force to oversee governance reforms and rebuild trust.

14. Conclusion

SAFA's current state reflects a leadership in crisis, riddled with financial mismanagement, ethical breaches, and procedural violations. The association's credibility is at risk, impacting its ability to attract sponsorships and develop football in South Africa. CAF's immediate intervention is imperative to restore order, ensure accountability, and safeguard the future of South African football.

The current trajectory poses unacceptable risks to South African football, from the safety of individuals to the financial and reputational stability of SAFA. Immediate, decisive action is needed to safeguard the sport's future, uphold ethical leadership, and reassure all stakeholders of football's enduring values and integrity.

This dossier underscores the need for urgent action to restore credibility and integrity within SAFA. The outlined measures aim to safeguard football's future in South Africa while ensuring accountability and ethical governance.

15. Attachments

- Supporting 1 – Submissions to CEO
- Supporting 2 – Statement by SAFA Regional Presidents template
- Supporting 3 – Media Statements by SAFA CEO in support of Dr Jordaan
- Supporting 4 – Transcript of the Statement from the letter reportedly from the SAFA CEO read in court

- Supporting 5 – Sibam Assignment Contract – 1 Feb – 31 July ‘20
- Supporting 6 – PwC resignation letters as Auditors
- Supporting 7 – Ethics & Integrity letters
- Supporting 8 – CHAN communique
- Supporting 9 – Boys Academy
- Supporting 10 – Fortico flawed processes
- Supporting 11 – White’s letter to Regions
- Supporting 12 – CAF Inquest

This dossier is submitted in good faith, emphasizing the urgency of CAF’s leadership in addressing these issues to preserve the integrity of football governance in South Africa.