

THE DEPARTMENT OF SPORT AND RECREATION SOUTH AFRICA'S
RESPONSE STATEMENT TO THE US INDICTMENT ON ALLEGATIONS OF BRIBERY
TO SECURE THE RIGHTS TO HOST THE 2010 FIFA WORLD CUP.

03 June 2015

The Department of Sport and Recreation South Africa issued its first holding statement on the 28th of May 2015 on the back of the statement made by the US Attorney General on the 27th of May 2015. The thrust of this holding statement is summarised in the following 3 key matters:

1. That the South African government and the LOC has not paid any bribe to anyone to secure the rights to host the 2010 FIFA World Cup;
2. That we will approach the US authorities through the diplomatic channels to share with us their indictment and any related information that they have to enable us to study the facts carefully and to take appropriate action; and
3. We further called upon all to desist from commenting about the matter and to afford the National government an opportunity to address the matter through diplomatic channels as well as calling upon all those who have any information on the matter to come forward and share same with us.

We wish to reiterate these key thrusts of our statement and confirm that we still stand by what we said in this statement. We again issued another statement on the 30th of May 2015 in which we discouraged speculation on the matter and called upon South Africans to be patient as we sought to address this matter and to gather all the relevant details.

We once again issued a statement on the 31st of May 2015 in which we clarified that there was no contradiction between our holding statement and the statement issued by Dr. Danny Jordaan. We indicated that we stand by our initial statement that the government of the Republic of South Africa has not bribed anyone to secure the rights of the 2010 FIFA World Cup. We also indicated that we frown upon the allegations that suggest that South Africa has paid a bribe. We also clarified that payment made for approved projects can never be construed as bribery and that any insinuations to the contrary will meet with our rebuke.

We have therefore not deviated nor contradicted ourselves in any of our statements and positions we have communicated and held up until now since the break of this story. Since then we have kept to our commitment to pursue this matter through the Diplomatic Channels and have requested our Minister of International Relations and Cooperation to follow up the allegations with the US authorities. We have not received a response yet.

We still need the US authorities to share with us the basis of their allegations. The fact that a payment of \$10 million was made to an approved programme above board does not equate to bribery. Those who allege should prove their allegations.

We refuse to be caught up in a battle of the US authorities and FIFA. We have never been spokespersons for FIFA and do not intend to speak on behalf of FIFA. FIFA has to speak for itself and deal with the matters on its own accord. Our purpose and intend is to ensure that we respond to the allegations leveled against our country, government and it's citizens.

We therefore wish to categorically deny that our country and government have bribed anyone to secure the rights for the 2010 FIFA world Cup. At the onset we dismissed the allegations of bribery by our country. I also wish to indicate that as the current Minister I had noted the payment of the \$10 million in the indictment and noted that this money was not paid either through government coffers or those of the LOC. I had conferred with the leadership of football in our country on this matter and also former members of the LOC. I had also extensively consulted with the leadership of government of the day to establish the facts surrounding this payment and I can today unequivocally state for all to know that this payment was not a bribe.

We wish to set the record straight and here are the facts:-

Since the inception of our government's desire and decision to bid for the 2006 and subsequently the 2010 FIFA World Cup, these bids were branded, marketed and declared as an African Bid and Africa's moment. Former South African President, Thabo Mbeki's often-quoted statement, stated in our 2003 Bid Book, on the reasons for our bid, clearly outlines that:

“The basis of South Africa's bid was a resolve to ensure that the 21st century unfolds as a century of growth and development in Africa ... This is not a dream. It is a practical policy ... the successful hosting of the FIFA World Cup in Africa will provide a powerful, irresistible momentum to the African renaissance ... We want, on behalf of our continent, to stage an event that will send ripples of confidence from the Cape to Cairo - an event that will create social and economic opportunities throughout Africa. We want to ensure that one day, historians will reflect upon the 2010 World Cup as a moment when Africa stood tall and resolutely turned the tide on centuries of poverty and conflict. We want to show that Africa's time has come”.

To put emphasis on this matter, the Statesman, former President Mbeki also stated in an article he wrote for Bloomberg that:

“... when we presented our bid to host the 2010 World Cup to the FIFA Executive on May 14, 2004, I said the millions of Africans on the continent and the African diaspora had ‘embarked on an exciting human journey. This is a journey away from a history of conflict, repression and endemic poverty.’”

Who can forget the catchy phrase 'Ke Nako'. This phrase signified and surmised our conviction that this was an African World Cup. At the time of government's decision in 2000 to bid for the 2006 FIFA World Cup we had already adopted the agenda for the rebirth of Africa - 'The African Renaissance'. This has been government policy during the time of bidding for the 2006 and 2010 world cups and remains to this day government policy and cornerstone of our Foreign policy in respect of the African continent and the diaspora. Our understanding of this agenda is that it does not only involve the geographical boundaries of the continent but all Africans in the diaspora.

This policy position is not only held by the government of the Republic of South Africa, but also the African Union, of which South Africa is a full member in good standing. The AU resolution states as encapsulated in the African Union Handbook states that Africa has 6

regions. 5 on the continent as represented by the recognized regional bodies and the 6th being the African diaspora. Accordingly, it has always been our understanding, our planning and our pre-occupation with including all Africans in the continent and the diaspora.

The declaration of the 2010 FIFA World Cup as the African World Cup has meant greater cooperation by all Africans on the continent and those in the diaspora. Accordingly, the intent has been from the onset was that all Africans on the continent and those in the diaspora would all benefit from the legacy of the world cup, as attested to by the earlier short video clip you have seen earlier. This clearly demonstrates the consistency of the government position on this matter since 2011 to date. Accordingly the African continent benefited from the initial allocation of \$70 million. The African continent continues to benefit from the 2010 world cup legacy trust fund. A legacy programme for the African Diaspora was also approved as a formal programme of the world cup to benefit the development of football in the diaspora. This was subsequently followed by the allocation of the said \$10 million to this fund.

We contend that these funds were never intended for government revenue as alleged and speculated. These funds had always been earmarked for the South African Football Association. In all countries where the world cup is held (including in the United States), the funds do not go to governments after the world cup are held, but go to the National Football Associations. It is for this reason that FIFA signs the Organising Association Agreement (OAA) as an agreement between itself and the National Football Association to deliver the world cup. The governments' key role is to provide the guarantees on behalf of the country in aid of its National Football Associations to meet their obligations in terms of the OAA. This allocation and payment has therefore always been a football matter in aid of government policy.

As FIFA policy does not provide for the Diaspora and had intended to work with CAF it had to be accepted that the highest concentration of States led by Africans outside of the African continent are found in the Caribbean. In football terms this is the jurisdiction of, the Confederation of North, Central America and Caribbean Association Football (CONCACAF), hence the letter of former SAFA President Molefi Oliphant to FIFA. This, as we re-assert, has been a football matter in pursuance to supporting government policy and directives around the delivery of the World Cup legacy.

In order to demonstrate this commitment, we further wish to highlight other forms of support that South Africa has lent to the continent and in the diaspora in sport. We had earlier supported the government of Mali to deliver the African Cup of Nations with technical support and an amount of R29 million. We had supported the government of Burundi with provision of sport equipment as part of the post war reconstruction efforts. We have supported the Mozambican government to deliver the African Games. We signed cooperation agreements in sport with the governments of Jamaica and Cuba. The support of South Africa on the continent in other areas has also been immense. Our commitment and passion on supporting Africans on the continent and those in the diaspora is unquestionable and facts speak for themselves.

In the delivery of the World Cup we also found various ways to ensure that the notion and positioning of the world cup as an African World cup found expression. We continued to drive several programmes on the continent with FIFA and SAFA including one goal and Win in Africa for Africa programme. We also drew the bid ambassadors from all over the

continent. Our lobbying for the world cup included most football leaders from the continent and from the diaspora.

Accordingly our understanding and position is that this is not a bribe but an above board payment duly allocated for an approved programme. We will therefore await the US authorities to share with us the basis on which they allege that this allocation was a bribe. We also can't understand why the said bribe was paid years after the voting and securing of rights was concluded. We also cant understand why this is being alleged to be a bribe when all those alleged to have been involved have placed everything on record, including extensive exchanges of correspondence in formal letters, emails, telephonic records, meetings, reports and public statements. We will await the diplomatic channels and responses from the US authorities to determine if there is any basis to these allegations. The intent and agreement was that the allocated funds to the CONCACAF will be provided to the Caribbean Football Union (CFU) and will be utilized for the Dr. João Havelange Centre of Excellence based in Port-of-Spain in Trinidad and Tobago. It is named after the former President of FIFA and is a centre committed to the development of football across the whole Caribbean. This was the commitment made by CONCACAF leadership and never intended for abuse by individuals within these organizations. We will also await the details from the US authorities in this regard.

We have a responsibility to defend the legacy of the world cup - an African success. We also have duty and responsibility to defend our country's reputation, integrity and sovereignty. We are not opposed to the US investigation and we seek not to stand in the way of their investigation. It is for this reason that our call remains that they share with us the evidence of what they base their allegations that negatively impact on the reputation of South Africa globally.

It has now been conveniently forgotten of the hard work and sacrifices put up by South African citizens including the business sector in lobbying and bidding for the two world cups. It is forgotten that we lost to Germany by 1 vote signifying how good our bid was on its own accord. It is also forgotten that 10 years of work was invested into winning the 2010 bid. We wonder why would anybody doubt that we secured these rights on the strength of our bid, the hard work and effective lobbying in the world. We should not allow these allegations to put into question South Africa's capacity and competency in delivery world class mega event and its capacity to prove that it is an emerging state that can stand toe-to-toe with the best in the world.

Issued by the Department of Sport and Recreation South Africa
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