

TO: All AIBA National Member Federations
All AIBA Executive Committee Members
All AIBA Commission Members

DATE: October 26, 2017

SUBJECT: Work Progress in AIBA

Dear Colleagues and Friends,

Since my report of October 17 in regard to the immediate findings from my visit to the AIBA HQs Office along with Mr Pat Fiacco, I am pleased to share with all of you the following most updated progress report on the management of the AIBA administration and findings in various areas:

1. Overall AIBA HQs Assessment:

Generally, employees' morale is down due to the current situation within AIBA. Employees are worrying about any change that might affect their future. At the same time, some Heads of Departments have been using some staff for their political conflict which is giving all of us some great concerns.

For example, I requested last week for the staff not to take any holiday or day off until after the Extraordinary Executive Committee meeting due to take place on November 3 – 4 in Dubai, this in order to immediately tackle urgent issues in AIBA. The HR Senior Manager complained and I accepted his complaints. However, although I acknowledged special requests, I received afterwards a petition complaining about me which was signed by 13 employees. During my visit to the AIBA HQs Office early this week, some staff informed me and the presently onsite EC Administrator Mr Mohamed Moustahsane that they were forced to sign it.

2. Finance Situation:

There has been no Head for this department since Rob Garea resigned and was further terminated by the suspended President Wu without any critical reason. Therefore, I decided to cancel his wrongful termination and to bring him back with a probation period condition in order for all financial issues to be assessed and reported to the Executive Committee in Dubai.

We found out that the report we received from the resigned Executive Director and the Senior HR Manager with a current bank balances of 5.6 million CHF as of October 14 was wrongly done.

The BCV bank balances as of October 20 were received and show a discrepancy of almost 1.4 million CHF as follows:

- AIBA: 4, 200,000 CHF
- WSB: 90,556 CHF
- BMA: 63,844 CHF
- Foundation: 204,000 CHF

These balances are after AIBA consumed the majority of the 17 million USD Olympic TV share contribution from IOC. As you are all aware, this fund was supposed to be used during the 4 years up to 2020. As this revenue is now gone, without having some funds from it, without foreseeing any major income from next year, we can tell you that we will face a very critical shortage of funds available.

In addition, with the reported 15 million CHF debts, we might not be able to avoid a bankruptcy situation unless we find any extreme solution to prevent this as soon as possible.

As some of you learned it from the hearing which took place last month in Albena, both FCIT and Skiff Promotion are going after us to collect an additional over 29 million CHF in addition to the current 15 million CHF debts. The current financial situation in AIBA is truly a mess and we are clearly NOT at all a “Debt-Free” organization as President Wu claimed on several occasions. All evidences are now being collected to prove all this and will be reported to the Executive Committee in Dubai.

3. External Parties:

You will see in the attached summary a list of the many External Parties the AIBA HQs Office contracted. The total amount to be paid for these external parties reaches over 100,000 CHF per MONTH.

We instructed the resigned Executive Director not to enter any further agreement or to extend current agreements. However, unfortunately, he signed several agreements only a few days before resigning and this distraught us.

Among them, in the Finance area, it was notable to see that AIBA has been paying 4,500 CHF per month to a Mr Abe Lin since January 2017 as Special Advisor to AIBA Executive Director. The actual Consulting Agreement was signed on January 23, 2017 for a salary of 6,500 USD per month. However, another term was entered showing reduced a consulting fee to 4,500 CHF from May 24, 2017. The ending term indicated in the agreement clearly shows that it will last until the day of the Presidential Election at the 2018 Congress.

During the Moscow EC meeting, his name was brought up as he was the person who managed all finance and accounting matters for both USA and Mexico Franchises. As these Franchises were removed, we do not see any reason for him to have received some consulting fee from AIBA until today.

In addition, President Wu also appointed Mr Lin as a member of the newly formed AIBA Finance Commission.

In regard to the legal fee of 35,000 CHF to be paid each month to CPV partners, former AIBA lawyers, it was brought to our attention that the monthly payment reached sometimes over 80,000 CHF.

With a ceiling of 35,000 CHF monthly, CPV Partners enjoyed their income for managing all AIBA legal related issues and writing letters on behalf of President Wu and resigned Executive Director. Although there was a Legal Director hired in house, CPV Partners services did not let this Director to do the work she was supposed to.

It is important for us to review all agreements and reduce any possible burden to pay these fees as some of the work conferred to these parties should be done by the AIBA staff.

4. Changed AIBA Lawyers:

One of the urgent priorities for me was to change the AIBA Lawyers, so I got the approval from the majority of the Executive Committee to remove CPV Partners and hire a new law firm, Libra Law. In addition, Mr Ricardo Contreras was also removed from his position as AIBA Legal Counsel.

All current legal cases are being reviewed and will be submitted for discussion and approval of the EC as we should come up with any solution to reduce any further legal related expense.

5. Changes in AFBC Presidency:

The Executive Committee cancelled the appointment of Mr Clément Sossa as AFBC Interim President. The implications of Mr Sossa in the professional boxing and his qualifications as the AFBC Interim President were in question.

Furthermore, article 37.3 of the AFBC Constitution, which stipulates the replacement process of the AFBC President, does not apply in the present case. Indeed, there was no hierarchy of the AFBC Vice Presidents established by the AFBC General Assembly and the elections held in 2015 were organized per zone only. In clear, no document was provided to support the existence of a supposed hierarchy of the AFBC Vice Presidents.

In view of all the above and due to the lack of documentation with respect to the replacement of the AFBC President, the Executive Committee decided by an absolute majority via an email vote to appoint Mr Mohamed Moustahsane as the AFBC Interim President replacing Mr Sossa to ensure the full compliance with the AIBA Statutes and AFBC Constitution, as well as other regulations.

6. Change of AIBA Signatory:

With the suspension of President Wu, the Executive Committee cancelled his current signatory authority and registered myself, Mr Ted Tanner and Mr Pat Fiacco as AIBA representing signatories.

7. Resignation of Executive Director:

It is regretted to face another unpleasant departure of an AIBA Executive Director within a 3 year period of the history of AIBA. However, as much as we appreciated his contribution in these difficult times, he did not give any respect to the AIBA Disciplinary Commission decision by sending his resignation letter addressing himself also to President Wu.

As we understood, the main reason of his resignation was the confused situation in AIBA between President and the Executive Committee who appointed an Interim President. In any case, we wish him the best in his future endeavors in his career.

8. Recruitment of Former Finance Director – Rob Garea:

As explained earlier in this report, with regard to the dire situation of AIBA Finance, until now AIBA did not have any staff who would manage all past, current and future financial issues for us. In addition, we learned that President Wu wrongfully terminated Mr Garea's employment agreement, so we decided to hire him back as AIBA Finance Director.

He has a difficult duty to investigate all finance related issues since his departure last May and will report all details to the Executive Committee in Dubai.

9. Extraordinary Congress in Dubai:

On October 17, the former Executive Director sent the announcement that the AIBA Extraordinary Congress will be held on January 27, 2018 in Dubai, following a decision by the Executive Committee.

Following the AIBA Statutes, the final agenda will be distributed one month before this Extraordinary Congress, thus by December 27, 2017. A letter was sent to alert each National Federation that the deadline to clear membership fees is two months before the Extraordinary Congress thus by November 27, 2017.

10. Current Activities of Suspended President Wu:

It is important for us to share with all of you the current disrespectful activities of President Wu.

President Wu is indeed becoming a shame for our organization by challenging an AIBA Disciplinary Decision before the Swiss court as that DC decision should be final. Such a case never took place in the history of the International Sports Federations Community of which AIBA became a shameful member.

President Wu completely disrespected the DC decision by entering the AIBA HQs Office on October 18 and by conducting meetings with the AIBA Executive Director and staff. In addition, he asked his lawyer to send several letters until yesterday in order to distort all facts and cover up his current suspension status.

Furthermore, he has been calling AIBA staff not to cooperate and not to share any file with us, and especially indicated not to provide any finance related documents to us. We all realize the true reasons behind these acts as there might be something he is very worried about in AIBA Finance.

He is now even contacting some EC members to urge them not to attend at the Extraordinary EC meeting in Dubai. All of these acts are to be considered as infringements of the DC decision and are subject to become another case to be filed for the review of the AIBA Disciplinary Commission.

11. Current AIBA HQs Administration Management:

I asked two EC members, Messrs Pat Fiacco and Mohamed Moustahsane, to assist me to manage all matters at the AIBA HQs Office in this interim period. Both of them accepted my request and have acted as “AIBA Administrators” at the AIBA HQs Office.

Mr Fiacco has already been in the office and Mr Moustahsane has been working at the HQs Office since last Wednesday, October 18, and will stay until the end of this week, October 27. The EC will further discuss the management plan leading up to the January Congress. Therefore, please be ensured that, we, I and all EC members, will give our best efforts to manage all AIBA matters as seamlessly as possible.

We are sure that today’s difficult time will be the cornerstone of a better future at the end. Once we all work together again to remove the current dictatorship and secret management system carried out by President Wu for many years, we will succeed once again for our sport and organization.

My report will continue for transparency and democracy in our beloved organization.

Sincerely yours



Franco Falcinelli
AIBA Interim President

Attachments:

- AIBA Current Organization Structure
- List of External Party Agreements
- Copy of Bank Balance from BVC Bank – Oct. 20