

<b>MEDIA RELEASE</b>	SEDFA corruption: PSA calls for urgent intervention by Minister
<b>DATE</b>	27 March 2026
<b>EMBARGO</b>	None
<b>ENQUIRIES</b>	communication@psa.co.za

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The Public Servants Association (PSA) noted with concern the arrest of two people on 18 March 2026 by the Directorate for Priority Crime Investigation (Hawks) in connection with an ongoing probe into alleged corruption at the Small Enterprise Development and Finance Agency (SEDFA) office in Tzaneen.

According to information released by the Hawks, the *modus operandi* involved collusion between an official and company representatives who allegedly exchanged kickbacks for irregular benefit. The two accused were expected to appear in the Tzaneen Magistrate's Court to face charges including fraud, corruption, theft, and money laundering.

The PSA condemns fraud and corruption, especially in institutions mandated to support small enterprises and drive economic development. These incidents erode public trust, undermine service delivery, and weaken the economic support mechanisms intended to uplift communities. The PSA is further also alarmed by the prolonged delay in finalising the SEDFA merger process, which has been ongoing for several years without meaningful progress. The continued uncertainty and incomplete organisational restructuring have created an environment marked by instability, operational inefficiencies, and weakened oversight. Such conditions increase the risk of misconduct and governance failures. The PSA has repeatedly requested updates on the merger process, but enquiries have gone unanswered, reflecting a troubling lack of transparency and accountability in SEDFA's leadership.

The PSA therefore calls on the Minister of Small Business Development to intervene urgently to ensure the immediate stabilisation of SEDFA following the corruption allegations. A task team should be established, which includes organised labour, to facilitate and expedite the long overdue merger process. Clear timelines, progress reports, and transparent communication should be provided regarding the restructuring. Governance and internal controls must be strengthened to prevent further incidents of fraud and maladministration.

SEDFA plays a critical role in supporting entrepreneurship, economic growth, and job creation, particularly in rural and developing areas. It is imperative that it operates with integrity, stability, and full functional capacity. The PSA is ready to engage constructively as a strategic stakeholder and contribute to a merger process that ensures accountability, operational effectiveness, and improved service delivery for the benefit of the public and small business sector.

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