

4 How FIFA corruption empowers global capital

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I am disappointed with FIFA. From where I am, it seems that today's FIFA is not the same FIFA that you joined so many years ago. Where were the ethics, morals, honesty? As a child I wanted to become part of FIFA because of FIFA's golden values. Unfortunately, today it seems that that hope is fading fast.¹

Is this a cry of pain from a lone idealist, wearied by FIFA's institutionalised corruption?

Not at all. It's a contrived letter to a venal senior FIFA official from his venal son, asking Daddy to demolish a roadblock on the route to FIFA's golden treasury in Zurich.

Father and son – and another son – were engaging in an industrial-scale shakedown of a FIFA tournament. They had taken control of most of the lucrative contracts, but bureaucrats in FIFA were obstructing one worth \$2 million – and the son stood to forfeit his commission. So this quaint letter from the son

to the father (they live under the same roof so it may have been handed across the table at breakfast) was designed to increase the pressure to loosen FIFA's purse-strings.

The father, one of FIFA's eight vice-presidents, has gorged himself and his family for the last quarter of a century at the expense of football. We'll never know how much has been diverted to them because of the absence of transparency at Sepp Blatter's FIFA – but we may note that the father has risen from being a poorly paid teacher to become a multi-millionaire, almost all derived from his involvement with FIFA.

This chapter seeks to demonstrate that FIFA's embedded corruption, organised to enrich a handful of officials and keep them in perpetual power, has lurched far beyond the sum of its parts. The unaccountable structure they've installed is honed to deliver the game to the needs of global capitalism – with no checks or restraints. Just cheques.

COMMERCIAL INTERESTS SHAPE FOOTBALL'S AGENDA

Let's start with a detailed examination of the activities of one senior individual. The toleration and protection he receives from the 'football family' exemplifies the moral rotteness at FIFA. Amoral at home, FIFA, while demanding independence from governments, recognises no problem allowing international commercial interests to intervene and shape the sport's image and agenda.

FIFA's leaders have created an organisation that goes out of its way to avoid financial scrutiny. Indeed the father, above, is deputy chair of FIFA's finance committee and, unless you have been leaked confidential documents, you wouldn't know that this man, when in Zurich, rubberstamps his own requests for money. It's the perfect circle of corruption.

There's no register of senior officials' interests. Staggeringly, FIFA president Blatter gets away with refusing to reveal his earnings, bonuses, expenses and other perks. We are told that disclosure would be 'against custom and practice in Switzerland'.² None of the 23 men who are Blatter's Executive Committee (ExCo) seem troubled. Nor do the officials of the 200-plus national associations.

Over the last decade I've investigated as much of FIFA as I can. I've been banned from their premises, events and press conferences since the spring of 2003 following my disclosure of a huge secret bonus that Blatter pays himself.³

Because the availability of documentation is haphazard – limited to what sources can pass on without being fingered – it is impossible to know all the arrangements FIFA’s leaders make with each other and the circle of little-known businessmen with whom they make covert deals. But the activities of one senior official – the vice president mentioned above – are so outrageous that considerable quantities of information about his financial dealings have been leaked to me.⁴

MEET FIFA VICE-PRESIDENT JACK WARNER

The vice-president is Jack Warner, from Trinidad. Warner displays lots of gold jewellery and will be aged 67 when the 2010 World Cup commences. An examination of Warner’s money-making enterprises opens a window onto how Blatter survives as president. Warner controls 35 of the 207 votes at every congress – mostly from statelets in the Caribbean – and so is favoured with a grotesque licence to defraud FIFA, yawn at its ethics code and constantly, through his inflammatory outbursts, bring the organisation into disrepute. He appears to be the original untouchable, accountable to no one.

Warner’s shameless exploitation of FIFA demolishes any possibility of him succeeding to the presidency, but he compensates by chairing the FIFA committees that award and supervise the Under-17 and Under-20 World Championships. This brings him prizes like the milking of 2001, when he steered the Under-17 tournament to his homeland, Trinidad. He appointed himself chair of the local organising committee, created a budget which he approved when it came before FIFA’s finance committee, appointed a compliant CEO and set about distributing the contracts – mostly to himself and his sons’ businesses.⁵

The fast food and beverage contract for all five stadiums went to the restaurant business run by Warner’s son, Daryan. FIFA’s travel office would normally have been expected to supply the tickets for the 500 or so players, officials and support staff for the 15 visiting teams. Not this time. A FIFA circular to all the teams stated:

In accordance with the wishes of Jack Warner, and after agreement with the FIFA president, the travel arrangements for the U17-Tour will be organised by a local organising committee travel agency called Simpaul’s Travel service (a family owned travel agency).⁶

The unnamed family is, of course, the Warners, with Daryan at the helm.

What of Warner's other son, Daryll, who so cherished 'FIFA's golden values'? Warner senior launched an email war against FIFA in Zurich; 'I have seen mortals of less loyalty and service as well as their off-spring enjoy benefits from FIFA,' he complained. (Sadly, he did not name names) He rambled on, 'The FIFA family can only survive and remain intact if its children genuinely believe that there is a place in the House of FIFA for them.'⁷ As Daryll's demands increased, his father emailed him, 'Daryll pls advise me specifically what you wish of FIFA Marketing or any other agency or person and I shall use my office to assist.'⁸ He did, it worked and Daryll got his \$2 million contract for computer software.⁹

The teams went home and Warner emailed Blatter:

The accounts do show a deficit. On receipt of the same and, in view of the presently orchestrated antagonisms against me through the local and foreign media, including but not limited to Andrew Jennings, I trust that the accounts, when submitted, will remain the business of FIFA only.¹⁰

How much more money did Warner want? 'I have since checked and rechecked my submission to FIFA and the (deficit) is US\$1,529,723,' he told Blatter. 'I should therefore be grateful if the error could be corrected and we can bring some closure to this matter for which I do thank you in advance.'¹¹

FIFA's finance committee (of which Warner himself was vice chairman) agreed and sent him more money.

THE TICKET RACKETS

FIFA's trade in World Cup tickets is a clandestine industry, a labyrinth of illicit transactions between touts, middlemen, officials at many levels and corporations. FIFA has a monopoly over these scarce resources and when individuals have this level of discretion, corruption is inevitable. Warner's ticketing activities are a direct route into FIFA's heart of darkness.

Warner has two decades of experience touting tickets. His first recorded ticket racket was in 1989 when the USA visited Trinidad for a crucial World Cup qualifying match. The stadium would only hold 29 000 fans – but Warner printed and sold 45 000 tickets. He got away with that.¹²

In 2006 Warner was in ticket trouble again. A local paper revealed that he had diverted the majority of World Cup tickets issued to the Trinidad & Tobago Federation to his Simpaul travel company and, breaching FIFA's rules, was selling them in travel packages.¹³

That exposé had him up before FIFA's earlier version of an ethics committee where, to everybody's surprise, he was roundly admonished for abusing his FIFA position and failing to act with integrity, and was sent for penalty to the ruling ExCo. That was in February 2006.

(Later in 2006 Blatter abolished this fairly toothless committee and replaced it with an even weaker one.)

Warner hurriedly removed himself and his wife from ownership of Simpaul, transferring it to two women with no apparent experience in the travel trade. One was a housewife, the other an animal doctor. When I went to call they drew the curtains and wouldn't answer the door.

When he met the ExCo, Warner said there was no case to answer because he didn't own the company anymore. They agreed. Warner neglected to tell them that his close associate, Pat Modeste, remained company secretary and Daryan, his son, was still running the business.

When I approached Warner in Trinidad with my BBC TV crew and asked him how much profit he was making from dealing in black market tickets for the upcoming World Cup in Germany he replied to me – and the camera – ‘Go fuck yourself’. Then he mounted a public platform and bellowed, ‘No foreigner, particularly a white foreigner, will come to my country and harass me.’ A couple of days later, when we met accidentally at an airport, Warner punched me.¹⁴

It was only after the tournament in Germany that I discovered why Warner was so abusive. A source slipped me two secret audit reports on Warner's ticketing activities, compiled for FIFA by Ernst & Young.¹⁵

They revealed that at the time I was trying to interview Warner, the investigators had been in Trinidad trying to get Daryan Warner to discuss how he had acquired 5 400 precious tickets and sold them to tour operators, making an estimated profit of at least £500 000. Daryan dismissed them with the rejoinder that he had done this before and never doubted he would receive the tickets.

My disclosures about this improper trafficking forced Blatter to put the issue on the agenda of the ExCo meeting in September 2006. Afterwards he announced that the Disciplinary Committee would *investigate*. It didn't. Instead the committee's Swiss chairman, Marcel Mathier, who will supervise disciplin-

ary matters at the 2010 tournament, made his own *examination* and decided that Jack Warner had no case to answer and that Daryan should be told not to do it again.

In secret the ExCo ruled that Simpaul must make a donation of €750 000 to a FIFA charity ‘to compensate for the profits it had made through the sale of 2006 World Cup tickets’.¹⁶ Later, also in secret, Blatter argued that this was not a matter to trouble the ExCo with again and persuaded them to leave the collection of the money to ‘be dealt with by the FIFA administration’. FIFA declines to say if the money has been paid.¹⁷

ROBBING THE WARRIORS

The Germany World Cup had all the golden values the Warners cherish. When Trinidad’s Soca Warriors qualified, Daryll Warner was given the job of harvesting the income from tickets, TV rights and sponsors. Although his father has no constitutional role at the T&T Federation, he long ago appointed himself ‘special advisor’ and his placemen carry out his instructions.

Daryll banked the money the squad earned; they were promised their share of around £3 million. After the tournament Warner’s accountant, Kenny Rampersad (who services Warner’s private companies and also audits the books of CONCACAF – the Warner-controlled regional confederation of North, Central America and Caribbean Association Football) produced a bundle of numbers. Unfortunately some of the documents had been lost, so the expenses were estimated. If that didn’t smell funny, the next stroke was an unexpected deduction of one third of the money ‘to prepare Trinidad for the World Cup 2010’!¹⁸

When the Soca Warriors complained, Warner’s officials denounced them as ‘greedy’ and offered £500 a man. Sixteen of the squad consulted lawyers and Warner banned them from playing again for Trinidad. (Without them, Trinidad failed to qualify for World Cup 2010.) The players petitioned FIFA, asking the ethics committee, headed by Lord Sebastian Coe, to intervene. FIFA referred them back to Warner. Apparently it was none of FIFA’s business.

In May 2008 an independent arbitrator in London awarded the players everything they asked for. Warner still refused to pay. The team have taken their case to the Trinidad courts. If the initial judgment is in their favour – Warner

has not presented any witnesses – they will then have to force him to reveal how much money was raised before they can claim their share.

JACK WARNER'S TV RIGHTS RACKETS

Let me place on record my sincere thanks to you and FIFA for your support and understanding over the last few months. I shall always remain eternally grateful and permanently indebted to you and I do wish to give the assurance that in all our deliberations and actions loyalty to you, to our president Dr Havelange and to the organisation of FIFA itself, shall always be paramount.¹⁹

That's Jack Warner in 1990, faxing thanks to Blatter (who was FIFA general secretary at the time), and Joao Havelange, who was FIFA's president. They'd been very helpful in arranging his elevation to become president of CONCACAF with its automatic FIFA vice-presidency.

In return for Warner's absolute loyalty, Havelange gave him the television rights for the Caribbean region to that year's World Cup in Italy. The price? One US dollar. Warner immediately resold the rights at an undisclosed profit to local TV companies.²⁰

This sweetheart deal ran again in 1994 and 1998 and was revealed in a confidential report produced by FIFA general secretary Michel Zen-Ruffinen on the eve of the 2002 World Cup. Zen-Ruffinen was fired by Blatter soon after.²¹

By 1999 FIFA had handed selling TV rights for 2002 and 2006 to the Swiss marketing company International Sport and Leisure (ISL) who sold them to a Warner rival in Trinidad. Enraged, Warner fired off a letter to Blatter demanding his rights back.

The rival was ousted and Warner again had the TV rights to sell. One of Warner's positions is as president of the Caribbean Football Union (CFU). In December 2001 the CFU (proprietor: FIFA vice-president J Warner) paid \$4 250 000 to JD International (proprietors: FIFA vice-president J. Warner and his son Daryan) for the TV rights to 2002 and 2006. Trinidad football official Harold Taylor (employer: FIFA vice-president J Warner) signed on behalf of the CFU. We are not told how much the Warners profited from reselling these rights.

Two more World Cups loom – and little has changed. The Caribbean rights for the World Cups in 2010 and 2014 have been sold by FIFA (proprietor: FIFA

president S Blatter) to the CFU (proprietor: FIFA vice-president J Warner). They are being sold on by JD International (proprietor: FIFA vice-president J Warner). In February 2007 these rights – permitting screening in 29 countries – were purchased by a Caribbean company for around \$20 million. The FIFA ExCo has to approve every TV rights contract, so all 24 members ought to know about these details.²²

HOW BLATTER MADE A FOOL OF SOUTH AFRICA

After 24 years presiding over spectacular corruption at FIFA, Havelange was forced out. Dalliances with the likes of Nigeria's murderous dictator Sani Abacha²³ and his encouraging Japan and Korea to engage in a semi-public war of bribery to secure hosting of the 2002 World Cup eventually brought him down.²⁴ Enough was enough and at age 82 his fingers were finally prised off the FIFA honey pot. (He kept his FIFA credit card.)

In late 1996 Havelange announced that, as he was convinced that he had fulfilled his mission, he would not run again.²⁵ Mission? FIFA officials – like the International Olympic Committee (IOC) – like to dress up their activities in semi-sacred verbiage. Blatter claims he 'brings football to the world,' ruling out the possibility that we can play the game without his efforts.²⁶ Announcing in late 2009 that he intended to run for a further term, Blatter announced, 'I have not yet achieved my mission in football, I need more time.' He added, 'Football is my life.'²⁷

Pledging the 2006 World Cup to Africa helped Blatter win the FIFA presidency in 1998. But keeping that promise would likely lose him the position in 2002; Europe wouldn't stand for it. The Union of European Football Association (UEFA), with eight of the votes at the ruling FIFA ExCo (Africa has only four) was adamant the tournament must return to Europe in 2006 and Germany was their preferred candidate.

How could Blatter satisfy two rival continents each controlling around 25 per cent of the votes at the FIFA congress – and the next FIFA presidential election? He continued with public pronouncements that South Africa should host 2006. The political and financial strategy to preserve his presidency began in the background.

As the vote neared in July 2000, the Germans were nervous. And then along came Leo. Television mogul Leo Kirch, based in Munich, stood to increase his fortune if the tournament went to Germany. Suddenly one of his subsidiary

companies took a great interest in some of the FIFA voters. Bayern Munich football club, intimately involved in the Germany bid, lent their support.

Friendly matches were arranged with countries that happened to be homes to some members of FIFA's ExCo – the voters. The contracts, discovered when Leo Kirch's media empire crashed into insolvency in 2002, make intriguing reading. Exceptional payments of up to \$300 000 were made to what were coyly described as 'trust accounts' in return for German TV rights to these massively unimportant games.²⁸

In July of 2000, as the FIFA ExCo went into the third and final round of voting in Zurich, the South Africans had every reason to be optimistic. With the promised vote of Oceania region's delegate Charlie Dempsey, the South Africans were confident they could tie 12/12 with the Germans – and Blatter's promised casting vote would clinch it. Then the Germans started cheering. They'd got 12 votes and South Africa only 11. There was one vote missing. Dempsey had disappeared midway through the vote. He couldn't stand the pressure, he whimpered to reporters, when he turned up a day later in Singapore with his golf clubs.²⁹

This surprised me and many others. Charlie Dempsey was raised on the toughest streets of Glasgow and it's hard to understand how a few lobbying phone calls turned the poor lamb into such a nervous wreck that for the first time in a long career, he couldn't cast his vote at FIFA.

Was Charlie bribed to walk out and save Blatter's presidency? We don't know. His defenders say it's not believable. Several well-connected German reporters insist he took \$250 000 to vanish.

Two years later, despite Charlie's betrayal of FIFA, Blatter made him an honorary life member, guaranteeing first-class travel, tickets and hospitality at future World Cups. As might be expected, none of his 23 ExCo colleagues uttered a word of criticism of his abandonment of his responsibility to vote. Charlie died in 2008.

CLOUDS OF ALLEGATIONS

The transaction has . . . enabled the President to communicate a success story to the Finance Committee in Rome ... The President was made aware that he and other executives would become personally liable for losses which are realised after the recognition that FIFA is over-indebted.³⁰

So wrote then general secretary Urs Linsi in a confidential memo in mid 2001.

The transaction referred to involved Linsi's pawning of future earnings from sponsors in return for an immediate injection of \$420 million into FIFA's accounts – a process known as 'securitisation'. The new grants of \$250 000 a year to each of the 200-plus national associations, before the new money arrived from the sale of television and marketing rights for 2002 and 2006, had done wonders for Blatter's popularity, but were putting FIFA finances under pressure.³¹

There were fears that pay cheques to the staff might bounce. The world's richest sport was running out of money. Blatter's opponents argued that it was a bad deal and a modest bank loan would have been sufficient to keep FIFA afloat, even if the grants had to be postponed. That couldn't be allowed to happen; Blatter was not going to reveal to the upcoming FIFA congress that their organisation was in financial trouble and had to get a bank loan to sustain the handouts.

The cloud of allegations and innuendo over the relationship between FIFA and the defunct ISL marketing company had provoked bitter exchanges of letters between the Union of European Football Association (UEFA) delegates and their allies in Africa, all circulated to the media and the national associations. It was time for Blatter to stand for re-election. The attacks on his leadership were well-founded and also driven by UEFA resentment over the ways Havelange and Blatter had apparently manipulated the presidential election in 1998.³²

As if the secrets behind the securitisation were not enough, FIFA's auditors were pointing to mismanagement of FIFA's funds during Blatter's years as general secretary. In a confidential report in 2000, auditors KPMG discovered that Blatter had been taking a relaxed view of the debts owed by the national associations. KPMG revealed that 75 per cent of them were not in good standing with Zurich. That wouldn't harm Blatter's re-election hopes.³³

The internal battles raged from late 2001 and the dissidents, a majority of the ExCo, demanded the right to establish an internal audit committee. Blatter fought every inch but they prevailed and it was set up in March 2002, chaired by Scotsman David Will. Within weeks his vigorous inquiries were closing in on how Blatter spent his presidential budget. Blatter swiftly shut down the committee. Later it was reinstated, this time in the safe hands of Italian IOC member Franco Carraro.

During the conflict the dissidents laid a complaint with the Zurich prosecutor's office alleging misuse of funds by Blatter. Months later the investigator, Urs

Hubmann, announced the case was closed and Blatter would not be prosecuted. His spokesmen immediately proclaimed that all the allegations were ‘entirely without foundation’.³⁴

Mr Hubmann told me a different story:

We cannot say that all the allegations were without foundation. What I say, in two cases, was that I had insufficient evidence to proceed. Under these circumstances I could not see how I could bring a charge. I came to a similar view on a couple of other points in the complaint.³⁵

Hubmann added:

I have not concluded that Herr Blatter is innocent. He is innocent of certain things. That is not to say that nothing has happened. It simply means there isn’t sufficient proof.³⁶

This verdict was too late. Blatter easily defeated his rival, Africa’s Issa Hayatou, at the FIFA congress on the eve of the tournament.

MANIPULATING MANDELA

The South Africans fumed after Dempsey’s betrayal. To keep the losers onside Blatter announced that in future the World Cup championship would be rotated through FIFA’s continental members – and that Africa would be first in line. (This policy lasted until Brazil’s ExCo member Ricardo Teixeira got his World Cup for 2014 and was then abandoned).

South Africa had no need to be unduly worried by its rivals for 2010. Libya and Tunisia weren’t credible and Egypt wasn’t ready. Morocco was bidding hard again but they were never going to win. FIFA wouldn’t care about the semi-police state, the repression of dissent and the enduring scandal of the military occupation of Western Sahara. But the fans and the rest of the world would and so Morocco weren’t going to win, despite spending money in all directions.

Astonishingly, South African government minister Essop Pahad raised a taboo subject. ‘If we have to choose between corrupting people and losing, let’s just lose,’ he said. ‘We’re not going to give any money to anyone under the table.’³⁷ What were the government’s intelligence people telling him? There is no

doubt they were active. It was reported later that none of Africa's four members of the ExCo voted for South Africa.

If Nelson Mandela thought he was in for an easier ride this time, he had not been warned of Jack Warner's cloying demands for face time. Mandela and Desmond Tutu – one really too old to travel, the other ill – were told, bluntly: turn up in Trinidad in April 2004 for Warner photo ops – or forget 2010.³⁸

'It's a pity that Nelson Mandela has got caught up in something like this,' said Trinidad & Tobago Prime Minister Patrick Manning. The enforced visit to Trinidad by the two Nobel laureates was being stage-managed by Warner to embarrass his political rivals in the ruling People's National Movement (PNM) government.³⁹

Mandela was 'his', said Warner, to organise as he chose. Blatter got in on the act and rushed to Trinidad to share a platform with the octogenarian, Madiba. The public display at a Trinidad stadium didn't last long. 'This is my last trip abroad – I am here to plead,' Mandela said. After 15 minutes he departed to rest in his hotel room. He lasted only seven minutes when put up to speak at a private dinner for which Warner charged £100 a seat.

When Mandela and FW de Klerk arrived in Zurich in the dawn, having flown overnight from South Africa for the vote, Warner was lying in wait. He wanted still more face time because, 'unfortunately, CONCACAF is still undecided'. Shamelessly bringing Mandela to heel – and more photo-ops – Warner concluded, with typical immodesty, 'It's an historic occasion for me. In some ways it will decide the future of one country.'⁴⁰

South Africa won the vote for 2010 and Blatter was stronger than ever.

KNICKERS TO PHILOSOPHY

'We live in an individualistic and uneven world in which the short term becomes the rule,' the FIFA president's strategist Jerome Champagne told *France Football*. 'It is necessary to restore values like solidarity and universality. I would not be where I am today if I did not share these ideals with Joseph Blatter.'⁴¹

Which ideals did this former French diplomat have in mind? Maybe he demonstrated them in Zurich's muscular defence of Antigua FA general secretary Chet Greene. Greene was in charge when a considerable portion of a FIFA \$1 million grant was diverted. When local officials asked Zurich where the money had gone, Champagne explained that 'Mr Raymond L Doorgen, a partner at

CAS Hewlett & Co has submitted regularly quarterly statements.⁴² So everything was in compliance with FIFA rules. Rashly, Champagne copied his letter to the Hewlett Company.

They responded angrily that Doorgen was never a ‘partner’, only a book-keeper. FIFA had been lied to. Jerome called up the letter he’d sent 24 hours earlier, deleted the word ‘partner’, inserted ‘senior employee’, and sent it off again. Nonetheless, Doorgen rapidly quit the island and eventually, through the determination and perseverance of local officials, Greene’s regime was ousted.⁴³

Champagne also appears untroubled by the ways in which FIFA senior officials have rewarded themselves from FIFA funds. Whenever the FIFA president makes a speech or receives an award anywhere outside Switzerland, he pockets \$500 a day. Blatter spends at least 150 days on the road each year and that’s worth \$75 000. In his busier years he can hope to claim as much as \$125 000 on top of his salary and other perks – just for going to work, travelling first class, with limos waiting at the airport.

The same \$500 allowance can be claimed by ExCo members and some also make extravagant expenses claims. I was tipped off that, unlike the rest of the business world, they don’t have to provide receipts or any other evidence of their claimed spending. I asked FIFA’s press office to explain.

‘As a matter of principle lack of documentation is not fatal to a proper claim for expenses,’ they told me, ‘provided proper procedures are followed which is FIFA’s practice.’ But how can you have a ‘proper procedure’ without receipts?⁴⁴

The money piles up in special accounts at FIFA headquarters and from time to time is withdrawn in cash and shipped home. When the drug police began cracking down on travellers carrying more than \$10 000 in cash, at least one member began sending girlfriends to Switzerland at FIFA’s expense to carry a share of the money home – in their knickers, it was claimed.⁴⁵

ExCo members are paid an annual \$100 000 ‘honorarium’ and in 2000 Blatter quietly struck a deal with friendly officials in Zurich arranging a minimal 10 per cent tax deduction. There was more good news: FIFA would pay the tax! As it does on Blatter’s earnings from world football.

One wonders what ideals the philosophical Jerome Champagne shares with some of Blatter’s ExCo colleagues. Two have been accused in their homelands of stealing money belonging to football. Several are suspected of pocketing kickbacks on FIFA marketing contracts – and one case is documented. Illegal

trading in World Cup tickets is rife. The most senior vice president, Argentina's Julio Grondona, is on record uttering anti-Semitic abuse in a TV interview.

Two years after Joao Havelange took control of FIFA in 1974 he embraced the military junta who'd taken over organising the 1978 World Cup in Argentina. His dalliance with Sani Abacha was a further example of the FIFA's leadership's happiness at conferring legitimacy on abhorrent regimes. His successor is no different in the relentless pursuit of support for his election campaigns.

In late 1999 Blatter toured West Africa, nailing down votes. He visited Monrovia and went out of his way to honour Liberia's president, Charles Taylor, whose son-in-law Edwin Snowe controlled the Liberian football federation. By this time the rest of the world knew about allegations of multiple human rights abuses by Taylor, currently on trial in The Hague.

Taylor shook Blatter's hand warmly, awarding him Liberia's highest honour, the Humane Order of African Redemption. After Taylor was forced from power Edwin Snowe had to get out of Liberia in a hurry and Blatter obliged with a \$50 000 payment for 'study in America' from the poverty-stricken nation's annual grant.⁴⁶ When Snowe came back to Liberia he turned his back on sport and his expensive new education, becoming boss of Liberia's Petroleum Refining Company. He's since been indicted for looting it. The UN has placed a travel ban on Snowe, alleging he funded Taylor in exile.

Celebrating FIFA's centennial in 2004 had Blatter touring Uzbekistan, Turkmenistan, Kazakhstan, Kyrgyzstan and Tajikistan, places where people live in fear of poverty, organised crime, arbitrary arrest and torture. Blatter's team saw none of that. They reported, 'every day is a celebration of tolerance through the harmonious coexistence of Islam and Orthodox Christianity, of Turko-Mongols and Slavs'.⁴⁷ Similar visits have lent FIFA's support to authoritarian regimes in Sudan, Morocco and Tunisia – indeed anywhere that has a vote.

In April 2009 Blatter revisited Kazakhstan, announcing that he and President Nazarbayev gave their 'full backing to fighting corruption'. Days later Blatter was in Moldova. 'I wish to congratulate you and your party's victory in the recent elections,' he announced, handing over FIFA's Presidential Medal to president Vladimir Voronin.⁴⁸ Blatter seemed unperturbed by the murder by riot police of three young men who'd protested massive voter fraud. Blatter's visit may have been the kiss of death because within three months Voronin was ousted.⁴⁹

MAKING FOOLS OF THE REPORTERS

If the client had big problems with their reputation, the answer was:

powerful strategies ‘to stay out of the media’ and to prepare such briefs, news items and alternative scoops that would divert, detract (*sic*) and de-stabilise imminent media interest.⁵⁰

Enter Blatter’s new spin doctor, employed to counter the damaging reporting that almost overwhelmed Blatter during the bruising battles of 2002. Swiss-Hungarian Peter Hargitay understood the needs of the dirtiest of clients. During the apartheid years he put a gloss on oil-sanctions busting by commodities trader Marc Rich. Before that he spun for Union Carbide, trying to distance themselves from their environmental disaster in Bhopal – and thousands of deaths.

Hargitay, who spent seven months in jail in Miami before acquittal on charges of cocaine trafficking, returned to Switzerland to set up both a private detective agency and his European Consultancy Network, and was soon boasting that he had ‘brought order to the British press’.⁵¹ It mattered because of the global dominance of the English language. Hargitay’s most significant achievement was to arrange a column for Blatter in the Financial Times. This mouthpiece for global capitalism seemed to understand that in the interests of business, FIFA’s image must be improved. Sponsors – later ‘partners’ and now Brands – required clean vehicles for their messages.

Blatter appointed Swiss banker Urs Linsi to replace Michel Zen-Ruffinen. That relationship didn’t last and Linsi was fired with a mind-boggling golden goodbye of eight years salary – £3,6 million. Hargitay briefed credulous reporters that Blatter had known nothing of the deal and might refer it to FIFA’s Ethics Committee. If he did, they have never said anything about it. The newly enriched Linsi has been silent about what he learned when controlling FIFA’s finances.

It was surprising when Blatter appointed Jérôme Valcke as his new chief executive. The Frenchman had been fired as FIFA’s marketing director several months earlier after the disastrous court debacle and payment of \$90 million to discarded sponsors MasterCard. During the hearings in New York Valcke was accused of ‘lying when he testified about his lies’. (American ExCo member

Chuck Blazer fared little better, his testimony being dismissed by the judge as ‘generally without credibility’ and ‘fabricated’.⁵²

Blatter and Valcke had clashed years earlier. Valcke was part of a French conglomerate in 2001 conducting due diligence on the wreckage of the insolvent ISL marketing company with a view to taking over its lucrative FIFA contracts. During confidential exchanges Blatter angrily accused Valcke of attempted ‘blackmailing’ and making ‘unacceptable threats’ to ‘certain gentlemen of FIFA’.⁵³ Neither man will now discuss what gave cause to this outburst.

WHO DID THE BAGMAN BRIBE?

‘On the advice of my lawyer I have no statement to make . . . These payments were confidential and I must respect that confidentiality.’⁵⁴ That was former ISL executive Jean-Marie Weber – forever after known as ‘The Bagman’ – declining in court in Switzerland in March 2008 to name the members of the FIFA leadership who allegedly took bribes from his company in return for awarding contracts worth billions of dollars. Six ISL directors were on trial accused of defrauding creditors for continuing to trade when they knew the company was insolvent. Three were convicted, the others acquitted. During the hearing the three judges raised the issue of the bribes paid to sports leaders, not because it was then illegal in Switzerland but because the money should have gone to creditors.

The evidence was found when liquidators and prosecutors delved into the secret history of ISL. Could Jérôme Valcke have discovered this information seven years earlier? The trial, in Zug, established that a phenomenal \$100 million worth of bribes had been paid in the 1990s.

Former CEO Christoph Malms claimed ISL had no choice but to pay kick-backs. ‘I was told the company would not have existed if it had not made such payments,’ he revealed to the court.⁵⁵

In the 235-page criminal indictment, available to reporters who attended the trial, only one member of FIFA’s ExCo was named. Nicolas Leoz had taken the paltry amount of \$130 000 directly to his bank. But on pages 164–165 of the indictment is a list of offshore companies that investigators asserted are fronts for FIFA executives. Blatter has avoided answering any questions about the scandal and the involvement of Leoz. Señor Leoz has also refrained from comment.

The targeted distribution of brown envelopes at FIFA's 1974 congress in Frankfurt ensured the election of new president Joao Havelange. The cash was provided by Horst Dassler of the Adidas sportswear company who was pioneering buying and selling sports marketing rights.⁵⁶

Dassler and Havelange installed a corruption bonanza unparalleled in world sport. ISL got the exclusive rights to sell the World Cup to sponsors and the public ownership of the game was privatised.

Dassler faced obstruction from FIFA's then general secretary, Helmut Käser. Dassler was determined to prevail; he had Käser hounded from office and Blatter installed in his place. Dassler fixed the elections of new leaders at the IOC and the international track federation and paid more bribes for marketing contracts. Then the bonanza got bigger. The brains in ISL's back rooms calculated that World Cup TV rights were being massively undersold by FIFA. In the mid-1990s FIFA cancelled its deals with public service TV companies. Rival marketing companies geared up to bid. Could ISL hang on to their monopoly?

Sepp, it is very difficult to conclude anything other than there being two sets of rules in operation here ... and your responses to our efforts are merely a cosmetic exercise designed to protect FIFA from future accusations of unfair and improper competitive conduct.⁵⁷

The IMG company, the sports marketing group founded by American Mark McCormack and golf legend Arnold Palmer in 1960, had offered to top any bid. They began by offering a billion dollars for the 2002 World Cup. But Blatter didn't tell IMG that he and Havelange had secretly changed the rules. For the first time they were offering two tournaments – 2002 *and* 2006 – but ISL's rivals weren't told until the last possible moment, meaning all financial calculations would be disrupted.

'There are glaring inconsistencies in your letters to us concerning the basis on which the rights are being made available and such obviously preferential treatment being given to other parties,' wrote IMG executive Eric Drossart.⁵⁸

Several ExCo members were tipped off that something underhand was going on. ISL weren't worried. 'The members of the FIFA Executive Committees can ask questions, but cannot prevent the conclusion of the contract with ISL,' reported Jean-Marie Weber gleefully to the ISL board.⁵⁹

They couldn't, they didn't and Havelange rammed through the choice of ISL. Then it was payback time. The kickbacks soared into million of dollars. Could ISL pay these and survive? Eventually the bribes helped break the company. Meanwhile large sums were moved out of ISL to offshore accounts so that there would always be a bribes fund to dispense. Some went in untraceable cash payments to a senior FIFA official.

INFRONT – THE NEW ISL?

In their final few years ISL occupied a sparkling white office block in the city of Zug. There's a new sports marketing company there now, in the same offices. They are named Infront and they have acquired very similar TV rights from FIFA to those that ISL had.

How did Infront get this super deal? Part of the answer lies in the manipulations of one arm of the McKinsey consulting company. Late in 2000, when insiders like Blatter knew that ISL was doomed, he called in McKinsey's grandly titled European Sports Practice to reorganise FIFA. A budget of more than £2 million was agreed on and invoices were sent direct to Blatter, circumnavigating normal procedures. McKinsey produced straight-faced reports on economies and stricter management – while FIFA officials were laughing their way to FIFA's bank to draw their mostly unaudited grants and sometimes wads of World Cup tickets that never had to be paid for.⁶⁰

The McKinsey team departed, but not forever. When the dust settled over the demise of ISL, McKinsey's Markus Kattner relocated to become FIFA's director of finance. There was also a new CEO of Infront. His name is Philippe Blatter, previously head of McKinsey's European Sports Practice and always nephew to Sepp Blatter. Infront have prospered, not only sharing the sale of World Cup TV rights with FIFA's marketing department but also linking up with the British-based Byrom company, which handles all ticket sales. Together they have a lock on accommodation for 2010.

FOOTBALL SEDUCED BY THE BRANDS

Traditionally the Coca-Cola logo was viewed in the developing world as a symbol of American capitalist exploitation. Not any more. Go to a football

event in the developing world. Odds are that it will be draped in Coke emblems and slogans.

Coca-Cola brings you sport and funding for development. The message is soft, warm and persuasive. Coke brings you football, the Olympic Games, the world track and field championship. Coke is your friend and benefactor.

Sport – and especially football, the most popular of all – became an essential weapon in the creation of new global markets and the penetration of discrete and sometimes resistant national identities. The concept of ‘universal’ highly competitive sports, nurtured in the advanced capitalist nations, was deployed to transcend cultural and regulatory barriers worldwide. Commerce acquired the sports organisations *and* their products to give them legitimacy, diversion and camouflage.

The part-time officials in the federations with incomes outside sport were replaced by full-time compliant creatures, keen to deploy the new concept of ‘marketing rights’. The middlemen – the marketing agencies – covertly laundered the bribes that got sport’s thinking in line with the needs of global brands. ISL was the intermediary created for a two-way traffic: delivering the sports in a form acceptable to capitalism and transmitting the kickbacks to the officials who signed the contracts.

Nothing illegal had happened. They were all moving into an extra-territorial world with little media or regulatory scrutiny, with an unquestioned determination to make profit out of the activity of sport. That profit wasn’t always measured in dollars; influence – hegemony – would become as important. Cultural dominance would safeguard capitalist objectives.

If corruption is defined as the abuse of public office for private gain then, in my opinion, FIFA has created a model of institutionalised global corruption. FIFA exports corruption from Zurich to the world. My analysis of the evidence reveals, in my view, that over three decades, Havelange and Blatter sought out and nurtured corrupt administrators, especially in the developing world.

Legislators and public prosecutors have been cowed by FIFA’s insistence that its affairs may not be meddled in by elected governments. Together with the IOC, FIFA claims ‘autonomy’ for sport with the thin argument that governments must not be permitted to interfere in the ‘independence’ of sports federations. The risible suggestion that these federations, so often tarnished by ballot rigging, corruption and ticket scandals, should be above the law, is accepted by most governments, most of the time.

Whenever a government tires of racketeering by their national officials, there is a threat to suspend the federation. As there are nearly always qualifying games being staged for regional or global tournaments, governments soon back down. Also banned from international competitions are referees and officials, who thus lose match fees.

FIFA PASSES THE MAFIA TEST

Some critics jest that FIFA is a ‘mafia’. A common definition of organised crime argues it is:

Characterised by a strong and ruthless leader, a hierarchy, a strong code of conduct for its members and, above all, the goal of power and profit. Corrupt police and public officials, attorneys and judicial officers, political leaders and businessmen comprise the protectors.⁶¹

In my analysis, FIFA ticks those boxes. Havelange and now Blatter exhibit strength and ruthlessness. It is extraordinary that in this huge international organisation you never hear dissent. Blatter claims their Congress is a ‘parliament’ but, with one short-lived exception – the contested presidential election of 2002 – FIFA is essentially an anti-democratic organisation. Not one of thousands of officials at any level ever makes public criticisms of the hierarchy in their own lands or at annual congresses. Not the poor officials of the developing world, nor the ‘fat cats’ of Western Europe.

From the 1970s the international sports federations became the battering ram of expanding capitalism. The brands became the mafia commission, the federations the subservient families, each with their own boss. They delivered highly desirable sport. In return, they were paid. Those who didn’t take bribes squeak that they are clean. Who pays for their luxury lifestyles?

‘Just as sponsors have the responsibility to preserve the integrity of the sport so too you have responsibility and accountability to the sponsor.’⁶² This was the chill warning from Coca-Cola vice-president John Hunter, speaking at the IOC Centenary Congress in Paris in 1994 as the brands were tightening their grip.

Blatter was hired by Havelange and Dassler in the 1970s to implement Coke’s plans. He seems never to have forgotten his benefactors – or ‘partners’

as they now have to be called. In September 2009 the entrance to FIFA House was draped with Coca-Cola banners announcing the company's 2010 publicity campaign. Triumphant they said, 'Welcome' to the world of football.

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