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FIFA: An era of corruption nears its end

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Andrew Jennings at Play the Game 2007. Photo Niels Nyholm (c)

Let's leave Iceland, come with me across the sea, across Scandinavia, turn south down through Germany to Switzerland, swerve round Zurich and the Bad Guys in their new imperial palace on the top of the hill, and keep heading south, slow now, and you're in the little canton of Zug, surrounded by mountains and lakes.

The city of Zug has a reputation for dark deeds. Tax avoiders from around the world, financial criminals, shady businessmen, have all made their home here. Not surprisingly, this was the home of the ISL marketing company, founded by the legendary German businessman Horst Dassler. He was a genius. He built his family sportswear business Adidas into a global brand and he also created ISL – International Sport and Leisure.

Dassler built networks that embraced the likes of Franz Beckenbauer, one of his early business partners, and the old Franco fascist who headed the IOC, Juan Antonio Samaranch. Dassler paid huge bribes to the now deceased boss of track and field, Primo Nebiolo, and he paid Joao Havelange, for 24 years until 1998, the Maximum Leader of FIFA.

In return Dassler's ISL company got the exclusive TV and marketing rights to the World Athletics championships – and the Olympic Games. And best of all, the football World Cup.

Dassler chose the Swiss Sepp Blatter to be General Secretary of FIFA and after Dassler died suddenly in 1987 his battalion of sports fixers and bribe payers remained on the closest, most intimate terms with Herr Blatter.

ISL is gone now – replaced in the very same beautiful building by the InFront sports marketing company. InFront, like ISL - has a massive slice of the business selling TV and marketing rights to the football World Cup.

It's CEO is called Philippe Blatter and he is the nephew of the most powerful man in football. I wonder what they talk about in private?

Across the road from the ISL - now Infront office - is another building, less beautiful, more practical. It is designed in the style of police station functionalism.

It's the office for the investigation of economic crimes in Zug. When they need to investigate crimes involving rich and powerful people, crimes where political pressures might be brought to bear on them to stop investigations, they sometimes hire truly independent Investigating Magistrates and leave them to get on with the job.

And in Switzerland, there's few organisations more powerful, few organisations with as much political muscle as Sepp Blatter's FIFA.

When the ISL marketing company went bust in the Spring of 2001 – they'd paid too many bribes and run out of money - it emerged that that ISL had failed to pay nearly £50 million it owed to FIFA, money paid by the Brazilian network Globo and the Japanese Dentsu companies for World

Cup rights. You'd think that Herr Blatter might have noticed this forgetfulness some years earlier – but that's another story I'll tell next year.

Blatter had no choice but to report the alleged crime to the authorities in Zug and he issued a press release naming a number of ISL executives, mere functionaries at the company.

Curiously Blatter omitted from his list of alleged criminals the name of the key man in all the secret dealings of ISL, the inheritor of Dassler's black book of kickbacks, the architect of modern ISL bribes, the tall, angular, grey-haired, reticent figure of Jean-Marie Weber.

Blatter was sending a clear signal. Jean-Marie was to be protected. He was too important to be messed with. He knew too much. Jean-Marie knows everything.

The Zug authorities knew what pressures they were up against. Undeterred, they hired in one of their former Investigating Magistrates who had gone to live in Vienna. His name is Thomas Hildbrand, an investigator of great integrity and great determination. A man with a developed nose for corruption. Hildbrand was given the FIFA case and promptly disappeared from public view.

But Blatter was hearing what was going on, who was being questioned, what documents and bank records Hildbrand was gathering from the wreckage of the ISL company.

This was disastrous. Decades of kickbacks were being uncovered. What could be done? Blatter moved secretly to kill the investigation. He wrote to the authorities in Zug and withdrew FIFA's complaint. They really weren't bothered anymore.

Hildbrand ignored Blatter and went on digging.

Blatter induced friendly reporters at papers like the Financial Times to publish stories alleging that Hildbrand was unfit to conduct the investigation. Hildbrand and his bosses in Zug ignored these smears.

In May 2005 Investigator Hildbrand emerged from the shadows, his investigation completed, and issued an indictment against the ISL executives – including Jean-Marie Weber - accusing them of embezzling that £50 million from FIFA and a number of related financial crimes.

Subsequently Hildbrand's report has been adopted by the Zug Prosecutor's office and the case has been sent for trial.

The process in Zug is that the panel of judges read all the thousands of pages of evidence and testimony before the trial. They read the transcripts of Hildbrand's interrogations of the suspects – including Jean-Marie Weber – and then after a short court hearing will pass judgement and announce sentences.

It has taken a long time for the judges to complete their private deliberations but the ISL-FIFA case is now expected in court in Zug in the Spring of next year.

For a BBC Panorama documentary screened in June last year I and my colleague James Oliver tracked down ISL witnesses who told us the fascinating inside story of who got paid bribes for these fabulous marketing contracts and the secret global, offshore routes the money was channelled through.

Every week you can hear and read the ebullient President Blatter gabbing on about ethics and his concerns for what he calls the good of the game. With his spindoctors working overtime and the gullibility of many of the sports news reporters, he projects this caring image. And he's determined to stamp out corruption. So he says - and this nonsense gets published uncritically.

When the ISL bribes evidence is revealed in court next year during the embezzlement trial the credibility of FIFA's leaders will be destroyed. Not just the rogues who took money but the entire leadership of the Executive Committee who have sworn the FIFA oath of Omerta. See no evil, speak not of it and enjoy the magnificent life style of Gods, the marvellous expenses and the 100 thousand dollars a year honorariums.

We reporters have a duty to hold them to account. You can be sure the cowardly national associations will be more concerned to continue getting their bundles of World Cup tickets, their

pointless positions on FIFA committees. Do you think any of the well-fed mice will squeak? Will any of them shout “Stinking Fish” and cleanse FIFA? Don’t hold your breath.

But that won’t be the end of the story.

Now – let’s wind the clock back to May 2005 when Magistrate Hildbrand issues his criminal indictment. His job was finished, everybody thought he had gone home to his private practice in Vienna.

Then on November 3, 2005 occurred the most catastrophic thing ever for FIFA. Hildbrand was back! With a team of detectives he raided FIFA House! He seized documents and went back to Zug to study them. Thanks to the most reliable of sources James Oliver and I were given confirmation that as a result of information obtained during the ISL embezzlement investigation, Hildbrand had been instructed to launch a second investigation.

Blatter didn’t issue a press release about this raid. He never talks about it in public. Neither do the other 23 men on FIFA’s Executive Committee. Polite reporters don’t ask questions. It’s been airbrushed out of FIFA-speak. Fortunately the assiduous Zurich reporter Jean-Francois Tanda was tipped off and ran a story three weeks later. FIFA’s stolid press man Andreas Herren was forced to confirm the raid. He had to admit that the warrant Hildbrand presented at the front door of FIFA House alleged that FIFA officials had diverted FIFA money to some improper purpose. But Mr Herren didn’t want to explain any more. So much for FIFA transparency.

That was November 2005 and as ever, Hildbrand disappeared from sight. Then in April 2006 he emerged in a courtroom in Vaduz in Liechtenstein, neighbouring Switzerland. Again, it was the excellent reporter Jean-Francois Tanda who got hold of crucial evidence.

It emerged that this was Hildbrand’s second application to the court. He’d been there earlier, asking to use documents from two secret ISL-owned offshore enterprises in his case against the ISL executives. He was given that permission by the Vaduz judge. Now he was back – he wanted to use these documents again in his new investigation.

The first enterprise was a Foundation ISL had set up in Liechtenstein. It was called Nunca – Spanish for “Never.”

In documents filed separately in a Berlin court one of the shareholders of ISL described the function of Nunca as "to pay bribes to obtain licences for TV and marketing rights for sports events, for example, the football World Cup."

In our parallel investigations James and I discovered that in the late 1990s ISL had secretly transferred nearly £20 million to Nunca to pay bribes into the new century.

But the money wasn't paid out from Nunca. It travelled across the Atlantic to another company set up in the British Virgin. It was called Sunbow and if you were on the secret Sunbow money distribution list, the sun would shine forever.

Back in Vaduz in April last year, less than two months before the World Cup kicked off in Germany, the court was told by Hildbrand that the liquidator of the bankrupt ISL company had secretly forced some of the sports officials who took bribes to repay some of the money.

The court was then told that Hildbrand was investigating his belief that the money had not been repaid by the crooks – but had been repaid by FIFA! Yes, from FIFA funds.

In June last year I and James and the *BBC Panorama* crew confronted Blatter at Zurich airport as he was about to board his Gulfstream to fly to Germany for the World Cup – you've seen it reprised this morning in our latest film. I asked Blatter why FIFA had repaid the bribes – and he was silent. Close-up, as he heard the question, his eyes were dead man walking.

Then it went quiet again. Blatter didn't mention any of this at the World Cup. Only (German reporters) Jens Weinreich and Thomas Kistner were talking about it. The rest of the reporters didn't want to know.

In February this year Magistrate Hildbrand turned up in South Germany with some tough questions for a potential – but unwilling – witness.

Hildbrand's investigation has typically gone quiet again – he doesn't talk about it – but I can assure you that it continues. There's no doubt of that.

I think it reasonable to assume that if Hildbrand's current investigation was going nowhere he and his bosses in Zug would have called a halt by now. As he is a special hiring, he costs the taxpayers. The fact that the Zug authorities want him to go on investigating tells me that after more than 30 months digging into FIFA's garbage, he's planning an indictment before too long. And whose names do you think will be on it?

As the list of FIFA scandals mounts monotonously - ticket rackets, vote rigging, perjury and forgery Herr Blatter's spin doctors have come up with a new diversion.

For years there's been a FIFA Committee for Ethics and Fair Play. In February 2006, to everybody's surprise, it condemned FIFA vice-president Jack Warner following the disclosure by the excellent Trinidad reporter Lasana Liburd that Warner had diverted around 1,000 World Cup tickets from the Trinidad federation to his family-owned travel agency.

Such a condemnation could never to be allowed to happen again. FIFA vice-presidents are above all laws of the sport. So last year Blatter closed down that Ethics Committee and set up a new one with a new Code. They've dropped the "Fair Play" bit of the title and watered down the original Ethics Code.

There wasn't intended to be any rush to create the new committee. Then last autumn an unpleasantly persistent reporter – who's been banned from FIFA press conferences since 2003 - obtained a copy of the report of the confidential old Ethics Committee that blasted Warner. He also acquired two confidential reports prepared for FIFA by auditors Ernst & Young. These revealed that Warner and his son Daryan had illicitly acquired 5,400 World Cup tickets, selling them to travel agencies in England, Mexico, America and Japan.

That banned reporter put these documents on his web site and the revelations exploded around the world. The fans were outraged, they wanted action. Blatter and Warner didn't. So Blatter's ace spindoctor Peter Hargitay was given the task of diverting attention.

Hargitay worked for the Union Carbide company when they gassed thousands of Indians in Bhopal in 1984. Then he did image enhancement for the fugitive American Marc Rich who broke UN sanctions and shipped oil to the apartheid regime in South Africa. You might wonder what special qualifications Mr Hargitay has that attracts Blatter to him.

In the week before FIFA's Executive Committee meeting last September Hargitay got on the phone to English sports news correspondents. He's got an inside scoop for them! He couldn't divulge the name but a famous Englishman was going to be appointed to head the new Ethics Committee.

The reporters fell in line. This became the new story, exactly as Blatter, Warner and Hargitay intended.

Later that week the prestigious name was announced! It was former Olympic gold medallist Lord Seb Coe! He was to be the Clean-up Man. He would be Independent of FIFA! Let the bad guys quiver with fear, the noble Lord could out-run them and bring them to justice.

Coe put out a press statement saying that "we must protect and promote the ethics and morals of sport for future generations."

The word "future" was the clue to what would happen. Coe agreed that he would not look at any allegations of corruption before the date of his appointment on September 15 last year. So two decades of FIFA corruption were made safe forever from investigation and punishment.

As you saw in our film, it's impossible to find out what Coe and his Ethics committee have been doing – if anything – for the last 13 months. We can't find how complaints can be registered. It appears that Mr Blatter decides that with his officials. Some of them are the very people who should be investigated.

In the last few years it's become clear that the international federations have no desire to clean up their governance. Only the public authorities can be trusted to do the job.

The Blatters and the Rogges parrot the old cry – keep Governments out of sport! Of course they are happy to accept taxpayers' money for their organizations. But they don't want the police, paid for

by we taxpayers, investigating their activities.

As David Walsh reminded us on Monday, it was French customs officers who launched the Festina team Tour de France investigation in 1998. Since then prosecutors in Italy, Spain and Germany have joined in and are bringing a clean up of the rampant doping.

There's no backwards time limit on their criminal investigations. Hildbrand the ethical investigator has gone back many years to unearth evidence of FIFA corruption. Lord Coe and Blatter's best friends on the FIFA Ethics Committee say they don't want to know, mustn't be told about anything that happened before September 15, 2006, the day of his rushed appointment.

Here's my suggestions for what Lord Coe and his committee should be investigating.

- They could start with the racist and anti-Semitic outbursts by vice-presidents Jack Warner and Julio Grondona since 2003.
- And the vote-rigging at FIFA congresses by Warner that helped bring President Blatter to power.
- And the still unfolding revelations of Jack Warner's huge World Cup ticket rackets.
- They could examine the allegations that former FIFA President Joao Havelange pocketed huge bribes in return for granting lucrative World Cup contracts to ISL.
- Then there's his son-in-law, Brazilian Executive Committee member Ricardo Teixeira, labelled corrupt by a parliamentary inquiry – and accused of involvement in the ISL bribery scam.
- Executive Committee member Nicolas Leoz is also accused of taking ISL bribes.
- Lord Coe could demand to see FIFA's bank records to discover if President Blatter used FIFA money to repay some of those ISL bribes.
- As you saw in our film Former Marketing chief Jerome Valcke, now General Secretary, is accused of lying to a court and to sponsors.
- And Executive Committee Chuck Blazer is accused of lying to the same court.
- Last month FIFA refused to investigate Chinese officials at the Women's World Cup caught spying on the Danish team from behind a two-way mirror. Does Lord Coe think that is ethical?
- As you heard Shaka Hislop in our film, FIFA have refused to refer the blacklisting of Trinidad's Soca Warriors to Lord Coe. FIFA says Warner is the only person allowed to decide if his disgusting attack on athletes should be referred to former athlete Lord Coe. Coe is silent.

Cross your fingers that Hildbrand does the job. The signs are promising - and that will be the end of an era of FIFA corruption.