

FIFA CORRUPTION CASE

In 2015, U.S. federal prosecutors disclosed cases of corruption by officials and associates connected with the Fédération Internationale de Football Association (FIFA), the governing body of association football, futsal and beach soccer.

Near the end of May 2015, fourteen people were indicted in connection with an investigation by the United States Federal Bureau of Investigation (FBI) and the Internal Revenue Service Criminal Investigation Division (IRS-CI) into wire fraud, racketeering, and money laundering. The United States Attorney General simultaneously announced the unsealing of the indictments and the prior guilty pleas by four football executives and two corporations.

The investigation mostly revolved around collusion between officials of continental football bodies CONMEBOL (South America) and CONCACAF (Caribbean, Central and North America), and sports marketing executives. The sports marketing executives were holders of media and marketing rights for high-profile international competitions including the Americas' FIFA World Cup qualifying tournaments, and showpiece tournaments CONCACAF Gold Cup and Copa América.

In total, seven current FIFA officials were arrested at the Hotel Baur au Lac in Zürich on May 27. They were preparing to attend the 65th FIFA Congress, which was scheduled to include the election of the president of FIFA. They are expected to be extradited to the United States on suspicion of receiving US\$150 million in bribes. There was also a simultaneous raid on the CONCACAF headquarters in Miami, and later, two further men handed themselves in to police for arrest: Jack Warner and marketing executive Alejandro Burzaco. Two further arrests of FIFA officials at the hotel occurred in December 2015.

The arrests case triggered Australia, Colombia, Costa Rica, Germany and Switzerland to open or intensify separate criminal investigations into top FIFA officials for corruption.

The 2015 arrests center on the alleged use of bribery, fraud and money laundering to corrupt the issuing of media and marketing rights for FIFA games in the Americas, estimated at \$150 million, including at least \$110 million in bribes related to the Copa América Centenario to be hosted in 2016 in the United States. In addition, the indictment handed down by the U.S. District Court in Brooklyn, New York, alleges that bribery was used in an attempt to influence clothing sponsorship contracts, the selection process for the 2010 FIFA World Cup host, and the 2011 FIFA presidential election. Specifically, an unnamed sports equipment company – identified in multiple sources as Nike, Inc – is alleged to have paid at least \$40 million in bribes to become the sole provider of uniforms, footwear, accessories, and equipment to the Brazil national team.

Laws used in charging

The Department of Justice has not charged anybody at FIFA with bribery because American federal bribery laws cover only payments to government officials. Prosecutors have instead alleged racketeering, wire fraud, and money laundering conspiracies under the Racketeer Influenced and Corrupt Organizations Act (RICO) Act, which was intended for use against the Mafia. In addition, officials have been charged with violations of the Travel Act. The relevant part of the law essentially says that it is illegal to engage in interstate or foreign travel, or use the mails or "any facility in interstate commerce" to promote, manage, establish or carry on an illegal activity. That activity can be illegal under either federal or state law. Bribery is definitely included on the list of what is considered an illegal activity under the Travel Act. Any relevant transaction, even if it is only tangentially related to America, can be targeted. In one instance, a representative of First Caribbean International Bank in the Bahamas flew to New York to pick up a cheque for \$250,000 (the alleged bribe) from the bribe recipient to transport it safely back to the defendant's bank account.

Interpol

On June 12, 2015, international law enforcement agency Interpol announced it was suspending a 20 million euro donation by FIFA to fund an anti-gambling and match fixing program. Four million euros was spent in the first two years on prevention and education and another 1.5 million euros was set to be spent in the remaining eight years.

An Interpol spokesman said, "The agreement with FIFA includes a clause which states that 'the Funding Party declares notably that its activities are compatible with the principles, aims and activities of Interpol'. All external partners, whether public or private, must share the fundamental values and principles of the organisation, as well as the wider law enforcement community."