

12th IACC
WORKSHOP REPORT

Number and title: workshop 5.4

The business of sports and corruption

Date and time of workshop Fri, 17 November 11:30 to 14:00

Moderator Sylvia Schenk (Transparency International Germany)

Panellists

- Anne Schwoebel, Transparency International Switzerland, Managing Director
- Henri Roemer, European Football Association
- Jens Andersen, Director, Play the Game

Rapporteur Stan Cutzach (Transparency International Secretariat)

Note: the workshop consisted of presentations by the panelists followed by a session of questions and answers. Since the latter was an opportunity to deepen, clarify or challenge points made by the presenters, the content of the discussions is captured in this report together with the presentations themselves.

In welcoming the participants, Sylvia Schenk noted that sports was at the forefront of the media and people's interest and that the workshop aimed at better understanding how corruption affects sports and outline ways to tackle it.

Anne Schwoebel of TI-Switzerland gave an introduction on risks and chances of sports facing corruption, starting by explaining why one should care about corruption in sports:

Sport is a global and universal phenomenon which:

- 1) brings people together. With events like the Olympic Games, the Fifa World Cup, sport unites billions of people to share together the same event and passion, beyond social backgrounds, race etc.
- 2) also has key implications at national level: for many countries sport is a way of strengthening their national identity, pride and a way of attracting international attention. Sport news have the power to shape cultural norms unlike many others.
- 3) Captures universal values as for example listed in the Olympic Charter. These values often motivate governmental support, both financially and politically, but also from the private sector.

In the last decades, the role of sports has tremendously changed, nowadays increasingly dominated by commercial interests, attracting massive media interest and generating awesome advertising revenues. Top athletes receive considerable salaries, major sport clubs trade with very large sums of money. An estimated EUR 2.5 billion were spent on advertising in connection with the 2006 Fifa World Cup. Where money

flows, corruption often follows. The core asset of sport is integrity and fair play. And these values are dangerously eroded by corruption.

Sports federations have been equipping themselves with guidelines and codes. But they do not yet effectively prevent or detect corruption. They do not either adequately support clubs that wish to see a corruption free environment, while there is still a general lack of transparency and accountability in the management of clubs.

Civil Society is becoming growingly concerned and taking action to help save sports from corruption which was described by IOC President Jacques Rogge as 'one of the biggest threats for sports'. Initiatives such as Play the Game are focused on promoting values such as transparency, honesty and accountability. National Chapters of Transparency International are also building up a network aiming at tackling the issue, by promoting zero tolerance policy or raising awareness of the public.

Henri Roemer, of UEFA, presented part of the findings of a report that he had made to UEFA and which is expected to lead to some reforms of the organization in the next few months.

There are no 'sport mafias' but mafias invest into sports. With the huge potential for financial returns and the generally rather low standards of professionalism in the administration of clubs, football attracts criminal activities such as the trafficking of young players, money laundering, illegal betting etc. The risks for criminals are minimal and control systems are weak. Players are normally young and easy to influence, while by bribing one key player, the outcome of a game can be bought and generate revenues from betting. National laws and systems often have little chances to be effective in relation to the international dimension of illegal activities in sports. There is also a legal vacuum: even the EU itself counts only half as many members as UEFA. Because player trafficking, money laundering and corruption are bloodless crimes, they tend to be rather accepted socially. One can also see that these problems started to affect amateur sports too. But the risks are great and the loss of interest by fans can already be witnessed in empty Italian stadia.

UEFA has a responsibility to keep criminal activities out of European football but does not have the legal competence to do so.

Henri advocated for both preventing systems and repressive measures. This could include, for example, a system for identifying early suspicious betting patterns, in view of the amount of money involved and of the quote. Raising the stakes and the risks of getting caught would also deter criminals from operating in sports. Pressed to perform, clubs are under huge financial pressures and as a result not particularly selective about where money comes from. To make it more difficult for criminals to buy clubs, software technologies should be developed and implemented to share information and identify problems and the doubtful origin of money. Sports federations themselves should admit the problems they are facing. Henri recommends to UEFA to appoint a person in charge of tackling money laundering and corruption in European football, in working closely with organizations such as OECD's Financial Action Task Force (FATF), the European Union and Transparency International.

Jens Andersen, of Play the Game, stressed again the unique outreach of sports, explaining that between 800 millions and 1.2 billions people practice sport worldwide, and it involves millions of volunteers. The sports industry at large generates on average for between 2.5 and 3.5 of the GDP of countries. The sports industry counts alliances with global media groups and has considerable media influence at all levels. At the same time, there is a growing consciousness about the problems in sports such as doping, health and labour issues.

As illustrated by a survey on sports reporting in a wide range of newspapers in ten countries, despite the broad outreach and role of sports in our societies, sports reporting is very narrow in the range of issues that it tackles, i.e. to a great extent focusing on top male athletes and major international sports event, mostly football, thereby promoting a one-dimensional view of sports. However, the sports industry and media entertainment alliance are being challenged by doping, match fixing, corruption in sports federations, the role of agents and the trafficking of young athletes, racism and violence of spectators.

Jens gave examples of problems affecting sports federations, pointing out to the International Volleyball Federation, the Kenyan Football Federation and the International Football Association FIFA, referring to abuse of powers for private gains, malfeasances and bad governance. This has led disappointed stakeholders in international volleyball to create their own clean federation and in Kenyan football their own clean league. In this context, Jens invited the participants to sign on www.playthegame.org the denouncing the attempt by the Kenyan Government to expel Bob Munro, sports developer and development activist who had advocated for and facilitated the creation of a Kenyan Football break out league: KPL, following blatant cases of embezzlements and bad governance in the Kenyan Football League. He pointed out the work of Sandro Donati (Italy), fighting for almost 25 years against doping; uncovering many scandals of huge magnitude at the highest level of sports, noting that the trafficking of performance-enhancing drugs was facilitated through organized crime, now also targeting amateurs.

Play the Game organises a global conference every two years, as a communication platform for such issues in sports, promoting debate and knowledge sharing, in order to raise ethical standards and promote democracy, transparency and freedom of expression in sports. The latest conference produced a statement for integrity and anti-corruption in sports, calling for action, demanding that sports federations have a zero tolerance, holding leaders accountable and requiring transparency, similarly to what is expected from governments. It also aims at raising awareness with journalists and educating them on how to deal with such problems.

Finally, Jens pleaded for a Global Coalition for Good Governance in Sports, involving the International Olympic Committee, the international sports federations, the UN and other all relevant international governmental organisations, as well as representatives of the media, sports business, fans and civil society organisations committed to fighting corruption, such as Transparency International. The coalition should aim at minimum standards for transparency and democratic procedures, making operational a system to monitor the implementation of such standards and to report violations to legal authorities for further trial, attributing legal mandates and expertise to investigate without prior notice particularly at the international level, establishing a right to ban and suspend non complying individuals or groups.

Conclusions

Running parallel to many other sessions, the workshop counted some 25 very committed participants, all staying throughout the meeting and well engaged in the debate at the end. Illustrating the global nature of the sports phenomenon, attendants were all over the world, among them the Deputy Minister for Culture and Sport in Guatemala. A film crew from Guatemala filmed the entire session as part of a movie on sport and corruption for the international market.

In the workshop, the need to systematize the work on driving corruption out of sports was evident as well as the necessity to work in coalitions to do so, involving the federations, the governments and the media. It was noted that many tools already existed and could be applied to the sports paradigm including appropriate mechanisms guarantying whistleblower protection. The workshop paved the way for a cooperation between UEFA, Play the Game and Transparency International, allowing reaching out to new partners in the anti-corruption movement around this issue. The session encouraged and empowered people to engage with their national sports federations and demand more transparency and accountability.