Forum: Committee on Crime Prevention and Criminal Justice

Issue: Implementing measures to tackle corruption and organized crime in sports and large sporting events

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Introduction

Organized crime is criminal activity by an organized and disciplined group of people. Such criminal organizations have a multinational, national or local character and operate or create their network in any all of the three. As for the sports industry, usually the organizations are multinational and these are the types of organizations that this research report focuses on. The aims of a criminal organization may vary but usually are strongly connected to financial profit or political influence. The social context under which these organizations operate is referred to as the underworld. In cases of corruption there are two sides: the perpetrator that seeks to gain unfair advantage through a cooperator side. In the context of sports, perpetrators are considered as a criminal scheme and the second side, the one being influenced, is usually an international or national sports federation or organization. The difference between a criminal scheme and a criminal organization is that a criminal scheme is less disciplined and hasn’t got an official hierarchy within it, while in a criminal organization all the members are aware of their role and have a place in the hierarchy. Usually, criminal organizations or schemes which commit organized crimes use corruption to achieve their aims.

In organized crime, corruption is a frequently used instrument. As mentioned before, criminal schemes and organizations have certain aims; in sports, such aims have serious social, political and economic repercussions and can simply be achieved by corrupting few select individuals. An example of corruption in sports is corrupting FIFA officials to win the rights to host the FIFA World Cup. Bribery is a form of corruption, when an individual is bribed that means that the individual received an amount of money, products or services to act in a certain way, like voting in favor of a hosting bid or a rule change. Another form of corruption can be extortion. When an individual is extorted means that the individual is somehow forced to act in a certain way due to fear of either use of force or public exposure. In order to effectively study organized crime and corruption it is needed to study previous cases and the impact and the methodology used.
Definition of Key Terms

**Corruption**

“Corruption is the abuse of entrusted power for private gain. It can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.”

1 According to Transparency International

“Corruption is dishonesty and illegal behavior by people in positions of authority or power.”

2 According to the Collins English Dictionary

**Corruption types**

Corruption differs from state to state, some forms of corruption are not recognized in some states and this is a major problems when trying to face corruption internationally. However, not all forms of corruption concern sports and organized crime in sports.

**Bribery**

“Bribery is the act of offering someone money or something valuable in order to persuade them to do something for you.”

3 According to the Collins English Dictionary

**Extortion**

“Extortion is the crime of obtaining something from someone, especially money, by using force or threats.”

4 According to the Collins English Dictionary

**Influence Peddling**

Influence peddling is “the use of power or influence on someone else's behalf in return for money or favors.”

5 According to the Collins English Dictionary

**Organized Crime**

Organized Crime is “a system or organization of people and groups engaged in criminal activities.”

6 According to the Collins English Dictionary

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2 “How Do You Define Corruption?” Transparency International. [https://www.transparency.org/what-is-corruption](https://www.transparency.org/what-is-corruption)


The United Nations Office on Drug and Crime (UNODC) defines in the United Nations Convention on Transnational Organized Crime, organized criminal group as “a group of three or more persons that was not randomly formed; existing for a period of time; acting in concert with the aim of committing at least one crime punishable by at least four years’ incarceration; in order to obtain, directly or indirectly, a financial or other material benefit.”.

Background Information

Corruption has various different types that were mentioned above; the most common one in sports is bribery. Bribery is, as explained, the exchange of money for actions in an illegal and dishonest framework. Bribery can usually occur when members of an organized crime scheme approach a group of officials. The members of an organized crime scheme are not considered professional criminals in sports; they are usually officials of national sports federations, officials of the ministry for sports or even high-profile government individuals. “Professional criminals” are considered people which are solely focused on conducting illegal actions, meaning that they commit crimes regularly and not occasionally or once, as is the case with criminals in sport. These people have the ability to contact officials of other organizations, mostly internationals sports federations, in many ways. In the most prominent case though, the officials of the said organization are approached in international conferences where many of them are together and can be approached and influenced more directly.

Extortion is another form of corruption. While bribery occurs through mutual agreement on an action, extortion is based on the mandate of one side forcing another. Coercion threats are usually connected to one’s personal life. Another form of corruption is influence peddling, which is connected to bribery; usually bribery is also influence peddling since the approaching party wants to use the power of the one being approached in exchange of money, goods or services. Influence peddling can essentially be described as bribery, however it doesn’t involve a certain service like voting in favor of a rule change but it involves influence around an aim, meaning influencing the ones deciding for a bid. The consequences of corruption are devastating; first and foremost it breaks the whole “system”. The principle of maintaining a righteous, lawful, and humane society is directly undermined when people can buy and force influence and power.

Corrupt negotiations affect not only the parties involved but also third parties, not involved in these negotiations, of the relevant social and economic sphere. Furthermore, the practical consequences of cases of corruption concern every part of the society, from lack of economic growth to empowerment of a certain political position, party or ideology in the expense of another. Like increasing 7“Organized Crime.” United Nations Office on Drugs and Crime. https://www.unodc.org/ropan/en/organized-crime.html
popularity for one party or one government, discouraging bidding when it comes to international competitions and creation of money laundering schemes which have considerable financial consequences for a government such as decreases in tax revenue and thus a decrease government spending.

FIFA Corruption Scandal 2015

The 2015 FIFA Corruption Scandal is the biggest recent scandal in sports. The case gained international attention when 7 FIFA officials were arrested under allegations of corruption in Switzerland and were extradited to the United States. The result was that 11 FIFA officials pled guilty to charges concerning corruption and fraud. The main parts of the investigation concern the hosting bids for the 2010 (South Africa), 2014 (Brazil), 2018 (Russia) and 2022 (Qatar) FIFA World Cups. In the case of the World Cup in South Africa, a payment of 10 million USD was made to FIFA through a third party, Jack Warner. The payment was justified as money to support the development of football in the Caribbean but the funds went to loan and credit cards payments, individuals connected to Jack Warner and to a supermarket chain in Trinidad and Tobago. The 2014 case of Brazil is under investigation by the FBI as a result of the scandal. The 2018 and 2022 hosting bids were the most controversial. The investigation is estimated to end by 2022, five years after the report was submitted to the Swiss attorney general's office by FIFA itself. The two bids are said to be cleared by U.S. attorney Michael J. Garcia, as mentioned in the 42-page summary published by the head of adjudication on ethical matters of FIFA, Hans-Joachim Eckert. The Russian bid is regarded controversial due to alleged human rights violations and hostility towards LGBTQ people in Russia. Russia has responded by stating that the corruption investigations, initiated by U.S. authorities, was an attempt by the U.S. to remove Sepp Blatter as President as punishment for his support of the Russian bid for the 2018 World Cup. The Qatari bid was heavily criticized also because of Qatar’s alleged human rights violations and hostility towards LGBTQ people as well as the high estimated cost, the local climate and Qatar’s limited football history. Both the Russian and the Qatari bid have been accused of corruption, mostly bribery.

Corruption in the FIFA case

In the 3 bids investigated, 2010, 2018 and 2022, the predominant form of corruption is bribery, which took place through bank transfers and money laundering. We could also see the case of extortion. An insider from the Qatar bidding team revealed that Qatar paid African officials 1.5 million USD to support Qatar's bid but she later retracted these claims and stated that they were false. Influence peddling is alleged to be an integral part of winning the bid process for all the bids in question since several officials have been accused of receiving bribes to support a bid and work towards its success.

Consequences
Politically, the Russian and Qatari bid have several political repercussions on an international level. The selection of Russia as a host is seen, mostly by Russians, as the reason for the removal of Sepp Blatter from office following the pursuit of investigations on allegations of corruption by U.S. authorities. The controversial selection of Qatar as a host and the allegations of corruption have influenced Qatar's international relations and have caused a shift in how the majority of the international community views Qatar. These allegations, in all of the cases investigated, can damage the political relations between countries. These controversies have serious economic repercussions. There are thoughts by the UEFA to boycott the 2022 World Cup. Taking into consideration that all 4 semi-finalists in the 2018 World Cup were UEFA members, such a boycott would cause reduced viewership, waste of investment, and decreased tourist attraction. It also limits the incentive for bidding and undermines the sport on an international level.

Salt Lake City 2002 Winter Olympic bid scandal

In 1998, after continuous denials by the Salt Lake Organizing Committee to release budget documents and several other suspicious events, such as dismissals for leaking information and lack of transparency concerning the suspiciously large 1.45 billion USD budget of the games, a report was released containing a letter to a child of one of the members of the IOC which showed that the SLOC was paying the child’s tuition fees. The release of the report led the IOC member responsible for overseeing the 2002 games to accuse some of his fellow IOC members of bribery over the selection procedure of the venues. All these events triggered investigations by the U.S. Department of Justice, the SLOC, the IOC and the U.S. Olympic Committee. These investigations resulted with 10 members of the IOC getting expelled and another 10 sanctioned. The case of expulsion and sanctioning of IOC members for reasons of corruption was the first in the history of the IOC. The acceptance of such gifts wasn't necessarily illegal but was regarded as immoral and dubious by the IOC, which went on to place caps on the amount of gifts and amenities its members can receive from bid cities. It also resulted in regulation of the terms and age limits for IOC members. Winning the bid was a huge success for the people of Salt Lake City and the U.S. in general, as 50 thousand people concentrated outside of the mayor’s office in Salt Lake City to listen to the result in 1995. However, the outbreak of the scandal caused a period of uncertainty for the SLOC, its leading members resigned, sponsors withdrew, it was almost impossible covering up the $379 million deficits, federal funding became limited and there were even thoughts of moving away from Salt Lake City. In the end, Mitt Romney was appointed to eliminate the deficit and attract sponsors as well as to secure a sufficient federal funding and investment worth $1.3 billion in infrastructure.

Bribery as a form of corruption

In this case, bribery is the main form of corruption; bribery is seen in the form of gifts to the IOC members. The gifts received by the IOC members were not illegal nor were inappropriate when taking
into consideration the rules of the IOC; they were though immoral and accepting them was dubious according to the IOC which led to the dismissal and sanctioning of the IOC members involved. This is an indicator that transparency is important because there are forms of bribery and corruption in general which are not illegal but go against the moral code and contradict with the values preserved by an organization such as the IOC, which promotes fairness and fair play in and beyond sports.

Consequences

There are severe political, economic and social consequences to bribery. From the perspective of the IOC, this problem was relatively new, identifying it and eliminating it was difficult; however, the negligence of the non-transparent transactions and impotence of the IOC are what turned the case into a scandal. Such scandals have severe consequences on third parties; such parties could be the person politically affiliated with the bid or the cause in general, in this case these affiliated people are the Mayor of Salt Lake City, the Governor of Utah and other state and city government officials which have been clearly undermined by such event. It also was a chance to create the sense of chaos and exploit such situation to gain political or social influence. Moreover, the economic consequences are also considerable; in the case of Salt Lake City, the situation became unbearable and if it weren’t for the lobbying conducted under the new leadership of the SLOC, the 2002 Winter Olympics would be moved to a new venue, meaning hundreds of millions of funds would have gone to waste. All of the infrastructure specifically built for the games would remain on halt, rendered useless; the Utah state government and the federal government would have wasted large amounts of valuable funds without a return on their investment. The economic and social implications of relocation would be huge, causing a significant misallocation of resources.

Apart from the case-specific consequences, which can apply to all cases, there are also some other consequences which aren’t highlighted by just case studies. Another result of corruption and organized crime is money laundering. Money Laundering is the process of legalizing illegally obtained funds. Money Laundering is not just criminal and immoral, it is also harmful to the governments since untaxed money is entering the economy and the government loses out on tax revenue. It is estimated that 90bn£ are laundered each year in the UK alone. It is also dangerous for the society since money laundering causes criminals to acquire wealth which they can use to corrupt, especially bribe. Moreover, apart from money laundering, untaxed expenses and earnings like bribe money are also harmful to the government since there is no taxed and official transaction completed. Generally corruption causes flow of money without the government knowing about it and this is dangerous for both the government and the society. Corruption can also cause misallocation of resources within the state like money which were allocated to development being spent by individuals to satisfy their personal needs and wants. This causes deficits in government bodies and contributes to budget deficits if not stopped by the government. Sports are one of the areas where corruption takes place but is the most important since it
hasn’t been clearly faced and causes serious repercussions such as corruption in other sectors like the judiciary or the police.

**Major Countries and Organizations Involved**

**FIFA**

FIFA has been accused many times of corruption and is regarded as a very corrupt organization. There have been several attempts within FIFA to cleanse itself but they have mostly failed because of corruption within the organization. There is certainly the will to reform FIFA even from within but the level of bureaucracy and the hierarchy inside of it makes any reform attempt fall on dead end. Corruption in FIFA is said to occur mostly in the form of bribery and influence peddling and the part most affected by it is the executive committees which decide the hosts for big events like the FIFA World Cup.

**CONCACAF**

CONCACAF is the regional football organization for Central and Northern America. It was allegedly involved in the 2015 FIFA scandals mostly through its former head, Jack Warner who has pled guilty to being a facilitator of bribery and has received bribes himself. Even though Mr. Warner has pled guilty the cases of corruption concerning the bids have been either cleared or are being investigated currently.

**Transparency International**

Transparency International is an international NGO, founded in 1993. Its main aim is to combat corruption and prevent crimes stemming from corruption. It defends the rights of whistleblowers as they attempt to bring about more transparency and advocates for transparency in any form of transactions in order to combat corruption and prevent crimes. It is not only involved with transparency in sports but also in other sectors.

**IPACS**

IPACS is the International Partnership against Corruption in Sport, a network focused on combating corruption in sports through bringing together IGOs, NGOs, international sports organizations, regional sports organizations and governments. Its aims is to set-up an international discussion and coordination platform to combat crime and corruption in the sector of sports.

**United States of America**

The United States of America is actively involved in pursuing corruption in sports, especially in football with the FIFA case, but has also been accused of having corrupt sporting institutions. Transparency International in the U.S. was stripped of its credentials by the central organization due to having different practices and goals regarding transparency than the rest of the organization.
Russian Federation

Russia has been accused multiple times of dishonest practices in sports and has the most Olympic medals stripped off because of doping by far. Russia has also been accused of corrupting FIFA officials to win the 2018 World Cup hosting bid, which it did, but it hasn’t been proven that Russian officials have pursued dishonest and illegal methods to win the 2018 World Cup hosting bid and Russian President Vladimir Putin accused the U.S. for initiating the investigation to go after Sepp Blatter because of his support for the Russian hosting bid.

Qatar

Qatar has been also targeted by the international community over allegations that it won the 2022 World Cup hosting bid through corruption but this hasn’t been proven. Qatar’s win was controversial because of its unsuitable conditions and extremely high costs for a competition taking place in the summer. However, Qatar has also been targeted because of alleged human rights violations and persecution of LGBTQ people.

European Union

The EU and its members have actively engaged in the fight against corruption in EU summits and discussions. Their attempts led to the creation of IPACS which was formed as a result of the Conference of Ministers responsible for Sports alongside other initiatives by the IOC and the UK government. Fight against of corruption is something very high on the priorities of the European Union.

IOC

IOC is the International Olympic Committee and is involved in the selection of hosts for the summer and winter Olympics. Members of the IOC have been accused of accepting bribes on multiple occasions, most notably in the case of Salt Lake City’s bid for the 2002 Winter Olympics where several members of the IOC resigned after accepting bribes in the form of gifts in return to voting for Salt Lake City as the host.

EUROPOL

EUROPOL is the European Union’s Law Enforcement Cooperation Agency; it is an organization aimed at combating international organized crime through cooperation of EU members. It has no executive powers and can’t arrest anyone without prior approval from local authorities.

INTERPOL

INTERPOL is the International Criminal Police Organization. It is an organization which aims to be politically neutral and its mandate forbids it from intervening in conflicts which have any sort of political connotation; it only intervenes in social issues, including corruption and organized international
crime. It also hasn’t got powers to arrest but acts as a network of cooperation and discussion between member states. However, it often is behind arrests that involve any kind of international crimes and plays a key role in advising its member states.

**UNODC**

UNODC stands for the United Nations Office on Drugs and Crime, it is the UN body responsible for combatting organized crime and corruption. It has been publishing various reports on corruption and organized crime and is an integral part of the fight against corruption.

**Timeline of Events**

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<tr>
<th>Date</th>
<th>Description of event</th>
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<tr>
<td>2009</td>
<td>Transparency International publishes Corruption and Sport: Building Integrity and Preventing Abuses</td>
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<tr>
<td>2011</td>
<td>Safe Hands: Building Integrity and Transparency at FIFA is published by Transparency International</td>
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| 2013  | UNODC releases the United Nations Convention Against Corruption: A Strategy for Safeguarding against Corruption in Major Public Events (September)  
UNODC and IOC publish Criminalization approaches to combat match-fixing and illegal/irregular betting: a global perspective (July) |
| 2014  | The Garcia Report is submitted to FIFA (September)                                  |
| 2015  | Transparency International’s Corruption in Sport Initiative is Launched (April)  
IOC-INTERPOL Handbook on Protecting Sport from Competition Manipulation (May)  
7 FIFA Officials arrested just before the 65th FIFA Congress in Zurich; in total 14 FIFA officials were charged by Swiss authorities and extradited to the United States (27 May)  
Give Back the Game report is released by Transparency International (July)  
2 FIFA Vice-Presidents and a former CONCACAF president charged by Swiss authorities and extradited to the United States (December) |
| 2016  | Global Corruption Report: Sport is released by Transparency International (February)  
Model criminal law provisions for the prosecution of competition manipulation report is released by the UNODC and the IOC (June) |
| 2017  | The Garcia Report is made public by FIFA (June)                                    |

**Relevant UN Treaties and Events**
Safe Hands: Building Integrity and Transparency at FIFA

Safe Hands: Building Integrity and Transparency at FIFA is a report submitted by Transparency International on the issue of combatting corruption within FIFA. It outlines the actions that need to be taken by FIFA to combat corruption within itself, based on the expertise and experience of Transparency International on this sector. It serves the purpose of combatting corruption in the private sector and in large industries such as football, a 1.2 billion USD industry.

Global Corruption Report: Sport

The Global Corruption Report on Sports is a report published in 2016 by Transparency International, presenting not only the root cause of the phenomenon of corruption but also the different perspectives, common practices and key elements of this phenomenon alongside presenting the initiatives taken by Transparency International to combat corruption in sports.

Give Back the Game

Give Back the Game is a report published by Transparency International in 2015 which proposes a set of recommendations regarding the functioning of FIFA in order to combat corruption inside FIFA.

United Nations Convention against Corruption

The United Nations Convention against Corruption is a convention for safeguarding against corruption in major public events and was published by the UNODC in September 2013. It refers to corruption both in general and also delves deeper into corruption in sport.

Criminalization approaches to combat match-fixing and illegal/irregular betting: a global perspective

This report is the work of the IOC and the UNODC on the issue of match-fixing and irregular betting, a motive for corruption and for the setting up of criminal organizations. It essentially is a comparative study on the application of criminal law procedures in cases of match-fixing and irregular betting scandals and investigations.

Model criminal law provisions for the prosecution of competition manipulation

Model criminal law provisions for the prosecution of competition manipulation is a report released in June 2016 by the IOC and the UNODC. It refers to good practices and recommendation when dealing with organized crime and corruption in sport.

Handbook on Protecting Sport from Competition Manipulation
The Handbook on Protecting Sport from Competition Manipulation is a joint-initiative taken by the IOC and INTERPOL, published in 2015. It defines crimes in sport, manipulation and corruption and analyzes their cause, their effects and their implementation thoroughly.

**Previous Attempts to solve the Issue**

Most of the previous attempts made to solve specific issues by member states themselves are made in the form of prosecution and not in prevention. Even though international organizations are issuing guidelines and publishing reports, their implementation on a national level varies from country to country. There are countries that support these efforts to issue guidelines and publish informational material but many countries fail to make decisive and adequate change. The attempts on an international level concerning prevention can be regarded as even more of a disappointment. Even though the research and the initiatives are there, there is a severe lack of actual measures by internationally recognized institutions, like the UN itself which means that the attempt on an international level is limited on theoretical work like conventions, guidelines and reports which are sufficient and explicit but aren’t sufficiently and explicitly implemented because there is no strictly set framework and timeline for their implementation.

As mentioned previously, most of the attempts on both a national and international level are made on prosecution. The United States and its prosecution of FIFA officials with the cooperation of the Swiss authorities is one of the most prominent examples of action being taken after the damage is done. The issue with these attempts is that they focus on controlling already made damage rather than going one step further and attempting to prevent future damage. Another case of “damage control” attempts is the Salt Lake City 2002 Winter Olympics bid; in this case the refusal of the SLOC to release their budget spending and a leaked letter caused tensions and reform from inside the IOC, which attempted to manage and control the damage the scandal had done to the IOC and the Winter Olympics. There are also cases where corruption wasn’t faced because the procedures of justice were obstructed by corruption, like the match-fixing scandals in Greece; judges and prosecutors were coerced and the scandals were “quietly” dealt with, by delaying and obstructing trials, extorting judges and prosecutors and placing corrupt people in positions of power to limit the scandals.

**Possible Solutions**

Possible solutions need to target the economic, social and political aspects of dealing with corruption. They also need to be dealing with preventing and combatting corruption and organized crime on a national level and on an international level separately. The solutions to be proposed concerning facing corruption on a national level need to have coherence and cohesion with the issues faced on an international level.
It is critical that the protection of the prosecutors, judges and officials who are involved with investigations is dealt with in the context of transparency. On a national level, transparency and protection of the prosecution procedures should be a priority. Concerning the prevention of corruption and organized crime, the concept of transparency should be established taking into consideration the three main contexts, namely the economic, political and social contexts and how the practices of preventing and eliminating corruption and organized crime (including transparency) will be implemented in regards to their effects and to their aims in the aforementioned three contexts.

On an international level, focus should definitely be given in the protection of the prosecution procedure for transnational crimes, which is highly suggested to include organizations actively involved, as well as provision of transparency. The main focus should be given to implementing the measures of already existing reports since these reports have been worked upon thoroughly already, meaning that further research prior to full implementation of the already existing proposed measures could be described as a waste of valuable resources, time and energy. The contents of the reports need to be the basis for the creation of an international legal, political, social, cultural and economic framework which will work towards the universal aim of combatting corruption and organized crime in sport.

**Bibliography**


