



## The FIFA Swamp – Grant Wahl

[00:00:06] This is Alexandra Wrage. Welcome back to the podcast. Today, we're going to talk about FIFA. Based in Zurich, FIFA is the association that governs the world's most popular sport: soccer. We're talking about it today because of more than a decade of outrageous corruption and unashamed self-dealing. I was a member of FIFA's failed independent governance committee, so I can say this with some confidence. My guest is a senior writer for Sports Illustrated, a major contributor to Fox Sports and the author of "The Beckham Experiment," the first soccer book to become a New York Times best seller. When he came to TRACE's offices for an interview a couple of years ago, several of my sports fan colleagues loitered in the hallways to have a chance to meet him. Grant Wahl, thanks so much for joining me. Do you think I've already shown my hand when it comes to my opinion of FIFA?

[00:00:51] I think you have every right based on all of your experience.

[00:00:55] This is a financial crime podcast, so we're going to have some people listening who are not very familiar with FIFA, although it's been in the news a lot lately, in no small part because of your writing. Can you help people understand? Just give us a primer on FIFA. How is it organized, and what does it do? Why do we need a FIFA?

[00:01:13] FIFA is the world governing body for soccer, the world's most popular sport, and it's made up of 211, now, federations, national member associations from around the world. FIFA likes to say they have more members than the United Nations, which is true. It's based in Switzerland as so many sports governing bodies are, like the International Olympic Committee and many, many others, which I think is not a coincidence by any means, but that's kind of the bare bones on FIFA. FIFA has been around since the early 20th century. It's more than 100 years old. It was originally founded by French members, though there's also a very big British influence because that's where the sport was invented, and even today there is no United Kingdom. There are separate memberships for England, Wales, Northern Ireland and Scotland. There's still a huge influence from the British.

[00:02:16] It's interesting. You said it's probably no coincidence that it's based in Switzerland. Why don't you expand on that a little bit.

[00:02:23] A lot of these organizations don't pay any taxes in Switzerland, or very little. They have had, over the decades, very little oversight that may be potentially starting to change in terms of the Swiss government finally starting to take a bit more interest in investigating FIFA and members of FIFA. But over the years they certainly have not taken much of an interest, and a lot of things that the Swiss government could have done to investigate FIFA, and a lot of these

other organizations, have not been done. That's certainly, I think, a pretty important thing to note.

[00:02:57] Sports associations are disproportionately represented in Switzerland, and I think you're right. I think it's partly because there's been very light oversight of them, but also, if you're one of those 211 football associations around the world, it's a really nice place to get to visit.

[00:03:14] It is, and I'm sure we'll get to talking about the U.S. Department of Justice investigation. It's maybe a less nice place to visit now that, when these soccer bosses go to Zurich, it's actually possible to be arrested by the United States government.

[00:03:27] Absolutely. It's happened on more than one occasion. It's a little bit like the Bates Motel with people checking in but not checking out. They're being screened from view by people holding up sheets as they scoot out the back door. You know the FIFA story as well as anyone, but it's a governance swamp, and it can be difficult to keep track of the various scandals. Can you just give us a kind of a broad overview of the World Cup hosting scandal, the elections and the management at headquarters? I can jump in as it touches on my work.

[00:03:58] There's been various scandals over the years, and this is all connected to the World Cup, the world's biggest sporting event, becoming even bigger and bigger over the decades to the point where this is a multibillion dollar event for FIFA every four years. I'm talking about the Men's World Cup, the Women's World Cup. Some of them have been slightly profitable, some have not. Basically, the Men's World Cup funds everything that FIFA does over a four year period. You're talking about anywhere between US\$4-US\$6 billion coming out of each World Cup every four years. FIFA has also been able to get lots of concessions from host country governments over the years so that FIFA gets a ton of the profits, and it doesn't go to the governments of Brazil or South Africa or wherever. Yet those governments are on the hook for so many costs. It's kind of crazy, actually. But as the World Cup has gotten bigger and bigger over the years, there's been a lot more money involved in terms of sponsorship money coming into FIFA, in terms of television rights, money coming into FIFA, huge amounts of money. The current television deals in the United States, for example — when you add up the English language rights held by Fox Sports, my employer, and Telemundo in Spanish language, they add up to more than US\$1 billion. That's just from the United States alone. When you add in all the other countries of the world, you're talking about tremendous amounts of money. Fewer sponsorship dollars coming in in recent years, by the way, due to the scandals. The president of FIFA, who really oversaw the expansion of the World Cup, was a Brazilian named Joao Havelange who was the FIFA president from 1974 to 1998. He expanded the World Cup, made it so that more nations from around the world would get in and then really expanded the sponsorships. The guy who was the right-hand man for Joao Havelange for many, many years was Sepp Blatter, and he became the FIFA president in 1998 and continued using the same type of playbook, expanding the World Cup to make it bigger and bigger and bring in more and more money. With all this money, you then had all of FIFA — and they were all men who were

members of FIFA — national federation presidents, people on the FIFA executive committee. They had a ton of power. As a result, it oversaw a lot of deals that got done. They were connected to tickets, all these things, and this presented the opportunity for a lot of malfeasance.

[00:06:41] Just extraordinary levels of self-dealing. You've already mentioned that the Swiss government exercised almost no oversight, in spite of the fact this is a non-profit. In most countries, certainly here in the United States, nonprofits have heightened reporting requirements, and that just didn't happen in FIFA. They really started behaving a little bit like a sovereign state. Certainly, under Sepp Blatter, who I met — I did not meet his predecessor — you find an organization that's awash with money — billions of dollars, as you say — and almost no accountability. That's never a great lineup.

[00:07:18] It's fascinating to me how long this has been allowed to continue, but it has, and there became a culture that Andrew Jennings, a journalist who's done a lot of investigative work on FIFA, rightly called — they're like gangsters, at times, and a lot of times over the years. Do I think Sepp Blatter himself was taking a lot of money under the table on things? I don't know. He had so much that was coming through the front door, but he certainly allowed for a culture to continue and get bigger at FIFA where there wasn't much oversight at all, and people got away with tremendous amounts of crimes. FIFA vice presidents, guys like Jack Warner who had tremendous amounts of power in the Caribbean, controlling votes for the FIFA presidency was tremendously important to Sepp Blatter, and Sepp Blatter looked the other way when Warner repeatedly did things over the years that were suspicious and where you saw large amounts of money that were intended for FIFA projects appear to go into Warner's pocket.

[00:08:26] I agree completely that we haven't seen any evidence that Blatter was enriching himself under the table. He wasn't taking bribes in the way that several of the members of the executive committee clearly were. But he didn't have to. There was this collusion where senior members were just signing checks for each other. The chart of that is phenomenal. The three of them just signing off on checks for each other totaling, according to the report, over US\$80 million, and if you've got the check-writing ability for the organization, you don't really need to sully yourself with bribery. It's interesting, though. I'm sure you've mentioned it, and I'm sure other people have heard FIFA described like the mafia, described as using mafia tactics. But actually, in many respects, they showed less loyalty than the mafia did. They started turning on each other really fast.

[00:09:17] Yeah, they did. We started to see this happening in recent years as things really devolved at FIFA. I think one of the big moments was in 2010, on December 2nd. I was in Zurich. It was my birthday. It was the day that the hosts for the 2018 and 2022 World Cups were to be announced, and that was the day when Russia and Qatar were voted on by the FIFA executive committee to host those two World Cups. Both of those decisions, but especially the Qatar decision, were met with an outcry of, "How could this have happened?" and real questions being asked globally about how could Qatar, this tiny nation in the Middle East,

where temperatures will be up to 115, 120 degrees Fahrenheit in the summer — and that's when that World Cup was going to be.

[00:10:14] And where there's no indigenous fan base at all. Brazil, you understand, because the Brazilians are crazy for soccer, but Qatar?

[00:10:23] Qatar, a place where human rights is a huge concern in terms of the workers who are there, who are, in most cases, not Qatari. They're from the Indian subcontinent. They do have a terrible human rights record. That's been documented by a lot of organizations, and FIFA didn't seem to care about this. Qatar put together a tremendous amount of money for their bid to get support. It ended up beating out countries like the United States, like Australia, who had done much better in the FIFA technical report that had been put together than Qatar. So you certainly emerge from that day in 2010 as I did, which was, "This is totally shady, and maybe now someone will get clued into this investigative body that might actually have some power." Then there was another FIFA election for president in 2011, not long after this. Then you started to see people turning on each other. A Qatari guy named Mohamed bin Hammam decided to run against Sepp Blatter. He ended up being forced to quit the election right before it was supposed to happen after supposedly incriminating stuff had been put out about him. That was when Jack Warner in the Caribbean and his longtime No. 2, Chuck Blazer, the American, turned on each other. Suddenly, you started to see mutually assured destruction between guys like that. Then in 2011, you started to hear that there's an FBI investigation going on in the U.S. into FIFA and the confederations, the various continents that make up FIFA. That lasted long enough that, by 2015, we were starting to wonder, "Is this FBI investigation going to actually come out with anything?" Because it had been going on for quite a while. We were aware of it, but they hadn't announced anything. I started wondering if it was going to be like the FBI's Lance Armstrong investigation, where you knew it was happening, but they ended up dropping it. Within a couple of weeks, in advance of the next FIFA presidential election that Sepp Blatter was running in, the Department of Justice for the United States swooped in to the five-star Baur au Lac hotel in Zurich, where all the FIFA people stay before Congress, and made a lot of arrests. That was a huge moment because, finally, you had a governmental investigation with subpoena power and real teeth that scared these men at FIFA in a way that they had never been scared before.

[00:13:11] It's fascinating to me in my compliance work. When I'm traveling, I constantly meet people who will just cross their arms and roll their eyes and say, "Why do the Americans insist on policing the world?" But the day after this happened people were high-fiving and saying, "Go FBI." Do you think the turning point was the Chuck Blazer situation? He is, of course, based in New York, investigated for tax evasion and then agreed to wear a wire. Is that what broke this open? Is that your understanding?

[00:13:43] That's a significant part of it. It's not the only part, but once you have a subpoena investigation though, you can get people to turn on each other even more and give each other up. What was interesting was in these Department of Justice arrests, so many of them were

actually connected to dealings in the Americas for kickbacks, other types of tax evasion that were connected to things inside the confederations — the Continental TV deals and other deals like that — sponsorships, and maybe less than with the big FIFA events, like the World Cup, though we certainly saw some evidence in the Department of Justice's case that did involve bribery with World Cups. Basically, at this point, we are aware that not a single World Cup bidding process has been clean from 1998 all the way to at least 2010. Every World Cup from '98 to 2010 has had either proven shenanigans or alleged improper behavior in connection with getting those bids.

[00:14:56] Why does that matter? How do you respond to people who say, "It's a game. It's a sport. This is not a world of high finance with clear victims." Why does that matter?

[00:15:04] FIFA's stated purpose is to grow the sport worldwide. When you have so much money going into the pockets of the administrators worldwide, that could be going to where it should be intended to go, which is to grow the game, especially in countries where it could be of great use. Not every country is Germany or Brazil or the United States or England, where there's all this money. In fact, these national associations rely on FIFA to give them money to help grow the game there. I'm not saying that all of the money disappears. Some of it doesn't disappear. You go to these countries — I've been to a lot of them — and you see some of the facilities that have been built with FIFA money, and you're like, "OK." It's possible for this to do some good, but you're also well aware that, in a lot of those countries where there's very little oversight inside the country and very little oversight over the years from FIFA, that money has not gone to the intended recipients, and that's a huge problem.

[00:16:13] What did you think of Infantino, the current president of FIFA? What did you think of his election stunt? I guess I'm giving myself away. The last thing he did before everybody stepped forward to vote on behalf of their FA was to offer everybody an unprecedented US\$5 million per FA — I think the cap before that had been US\$1 million — so basically just hosed the room down with a billion dollars a few minutes before the election. There are some who would say, "Well the FA should be getting the money."

[00:16:42] Yeah. Actually, in theory, I have no problem with FIFA making a lot of money. I have no problem with FIFA distributing that money to soccer associations, especially smaller ones around the world that can use it, but they need to make sure that that money is well documented. I remember being in Antigua when — this is like the equivalent of Iowa during the US presidential race, where you've got all these FIFA presidential candidates coming to this small Caribbean island to speak to the assembled Caribbean voters there because they realize they have a lot of power. It's one country, one vote, so each Caribbean island has a vote, just as Germany has one vote and Brazil has one vote. I remember being in the room where all of these Caribbean FA heads, many of whom were involved in the shadiness of the Jack Warner era — those guys hadn't changed. Same voters. They were asking questions of Gianni Infantino, and Gianni Infantino, the Swiss Italian who is now FIFA president, who was running for FIFA president then, pulled his campaign plans straight out of the Sepp Blatter playbook. The two big

things are, "I'm going to give more money to each nation and their soccer federation," — a lot more money as he mentioned, four times as much — and "I am going to expand the World Cup, which will bring more money into FIFA because there will be more games on television, and there will be more interest around the world," and that's what he promised them, and that's what he has already delivered since becoming FIFA president a year ago. He expanded the Men's World Cup from 32 to 48 teams. This money that you mentioned is now going out to each member association. I asked Infantino at the time about how you're going to ensure that that money went to the right places, he said this would be very easy that they were able to do that when he was at UEFA, and the times of money disappearing in FIFA were over, according to him.

[00:18:54] I hope so. Of course, it makes sense to distribute the money. The headquarters doesn't need that much money, and if it's being well run, it shouldn't require it. But it was the lack of accountability that we saw in my brief tenure where an FA could take that money and spend it just about anywhere they liked on principle. FIFA would say, "We don't want to interfere with that." It's also a little distressing, though, to see so much money go to the associations when, really, the clubs and, I would even argue the fans, are the engine of all of this, certainly the engine of all the profit. When I was speaking with Blatter in Zurich in that strange bunker-like structure there, we would put questions to him, and his theme to us publicly, as well, has been — or "was," when he was president — "We keep it in the football family, and we have our way of doing it." Again, sounds a little mafiosa. It's a pretty closed community, even though there have been some efforts to crack it open. Most people at least — most people who don't follow soccer very closely won't know this — you once ran for president of FIFA. Could you describe that process in your experience? Because it was comical, but it was a little sinister as well.

[00:20:01] It was 2011 and, at that point in time, Sepp Blatter was the only candidate for that year's FIFA presidential election. Eventually, Mohamed bin Hammam would join the race, but when I announced, no one had announced they were taking on Blatter. Part of the reason I wanted to do that was to show that somebody needed to run against the guy because he had run unopposed in 2006. He had run unopposed in 2006. In '02, he was not unopposed. He actually had an opponent. But there's too many one-candidate elections in FIFA and the national member associations, and I had looked at the rules, and there was no rule against anyone running at the time. They've actually changed the rules since then.

[00:20:50] They changed that. That's the Grant Wahl Memorial rule, I think.

[00:20:53] Yes, I think I had a legacy. Once it looked like I could run, I wanted to see what it would take. We have a nice tradition, I think, in this part of the world of these half-satirical, half-serious political candidacies, often to make a point, so that's what I did. I had a campaign video. You can see it online. I was told - not told. The rules were laid out: If I wanted to become an official candidate, I had to get the nomination of one member association from around the world. I tried to do that. I spoke to a bunch and had a lot of nice conversations. What I was told

was that the nominating process was public and that because everyone knew I wouldn't win, there would be blowback for any country that did nominate me publicly. The funny thing was that I had a country like Italy tell me that, "We're no huge fans of Blatter. If you can get someone to nominate you, you will get votes because the vote was actually a secret ballot." So I'm a little bummed out that I couldn't get Iceland to nominate me because I certainly had nice conversations with Iceland. The media coverage that I participated in of my candidacy allowed me to get out what I thought were pretty common sense points about what needed to change in FIFA. That was partly on the field and very much off the field as well. At that point in time, some of the on-the-field stuff made total sense, like, "We should have goal line technology," because that's something that would have actually allowed England to have a goal during the previous World Cup in 2010 that obviously should not have been taken away.

[00:22:38] Would you have compelled the Women's World Cup players to play on turf?

[00:22:42] Oh gosh, yeah. There's so many things, but there's a lot of off-the-field stuff that I was saying that I thought was common sense, too, about it's all men that are on the FIFA executive committee. It's always been all men for more than a century. I promised I would hire a woman as the general secretary to run FIFA day to day, create more opportunities for women in FIFA, do a lot more to promote women's soccer, which is still not being helped enough, especially with all the money that FIFA has.

[00:23:14] I was very sad to see that Moya Dodd was not successful. She has been the one woman most committed to improving governance at FIFA. The Australian candidate didn't make it through, and I thought that was a travesty.

[00:23:25] What we're seeing is even the reforms that did get voted in last year, which included gender reforms, were supposed to create at least one member per continent who was a woman on the FIFA Council, the board. The problem lately is that the women who have the experience and the strong voices and a real passion for women's soccer are losing now in these elections in which the voters are all men. The indication is certainly that these men don't want the strong-voiced women on the FIFA board, that they'd rather have people who are quiet, that are more pliable.

[00:24:00] Sexism at FIFA is not, I think, breaking news. You're absolutely right. You'll recall that I was instructed when I was on the Independent Governance Committee to stop putting women forward for certain key roles because the quote was, "A woman would never be acceptable in that role." Some of that has changed, obviously, but some of it has changed because they had no choice. There was so much public outrage. When you were running for president, you had somebody contacting you, whistleblowers and people. There were some very strange overtures, and I had a little bit of that when I was on the IGC as well. I'm just curious. Did you find that sinister or was it just a nutter?

[00:24:36] It was so strange, and I ended up writing a story. It's still on Sports Illustrated's Web site, about 5000 words about what happened when I ran for FIFA president. One of the things

was I was contacted by this random character who told me he could get me votes, nominations, and he would introduce me to people in FIFA. I actually met up with this guy. I'd gone to the UEFA Congress in Paris in 2011 as a last ditch effort before the deadline to try and get a nomination. I met up with this guy at a park bench on the Champs-Elysees, and it was like from a bad spy movie. The guy, I never knew his real name, and he clearly did not deliver anything in the end. He became someone I could write about as this sort of creature of the process who sprung up from the murk, but that's exactly what it was. I'm pretty confident this was someone connected to the FIFA, like a henchman for the FIFA establishment, trying to find out what I was doing or what my plans were. But it's crazy that someone like that would exist.

[00:25:45] When I was initially on the IGC, somebody reached out to me - it sounds like it might be the same person - and said he had documentation to prove that there had been bribes paid, he had bank records. A very strange guy and ultimately wanted to meet in a coffee shop next to a halal butcher by the Brussels train station, and I was in Europe on other business, so I actually agreed and went there, and he never showed. He picked up again a couple of weeks later, and I thought, "This really is just somebody else, possibly FIFA, trying to either just waste my time or figure out how far people will go." It was the strangest experience, but a bad spy novel or bad spy movie is exactly right. From a governance perspective, FIFA has been a mess. They just traditionally, for decades now, have been just utterly ethically compromised. I think we understand the financial cost. We're starting to see now the enormous sums they're paying for lawyers, for accountants, for remediation to the extent that that's happening. They've lost key sponsors. From your perspective, as a sports journalist, what's been the cost of all of this to the sport? Or can the sport skate above this?

[00:26:53] In terms of the World Cup itself, there's almost a disconnect between all of the shadiness, the improper behavior at FIFA over the years, and the actual World Cup itself. I guess you have to give the FIFA day-to-day administration some credit for the amount of money that has come in from the World Cup, and they've been able to continue doing that despite all the turmoil at the top of FIFA. I don't think Lionel Messi has been affected at all by the FIFA scandal. He certainly doesn't speak out against it, and the top players have certainly not threatened to boycott the World Cup because of any of this, so they certainly could have more power or choose to exert more power if they really wanted it to happen, but I think they see the benefits of competing in the World Cup as well. I think where you're seeing a bigger effect is in the smaller countries that, were this money actually going to the right destinations, you might see some of these smaller countries qualify for the World Cup more often and see the sport developing for men, and especially women, in a much bigger way. It's that missed opportunity of what could have been done. Every time I visit Nigeria, and I've been there a couple of times now, you see the infrastructure there. You know how much oil money and other money comes into that country and then just disappears. That's obviously not the only country where that happens.



[00:28:26] For the next five years - and I choose that period carefully to include both the Russian World Cup and the Qatar World Cup - are you optimistic? Are you pessimistic? Or are you beyond surprised at this point?

[00:28:37] I certainly laugh at this point when Gianni Infantino says repeatedly that the FIFA crisis is over because the U.S. DOJ investigation just got another front in their investigation that they've opened in Asia. They got a guilty plea from the FA head of Guam - obviously a U.S. connection there, but they're a member of the Asian Confederation, and they've got enough allegations of improper behavior that one of the most powerful figures in FIFA from Kuwait, Sheikh Ahmad, resigned all of his soccer positions right before this FIFA Congress. Everyone I've talked to says that the U.S. investigation has suddenly new steam in Asia and will almost certainly get a lot more people to plead guilty in the coming year or two. This investigation doesn't sound like it's going to stop with the new U.S. administration. That's good news from my perspective because I still don't see the FIFA internal governance structures doing much. This recent FIFA congress, you saw the heads of the supposedly independent governance committee pushed out the investigators of FIFA and, yes, their terms had run out but they'd at least shown some willingness to be independent and to ban Sepp Blatter and Michel Platini in the last few years. It's troubling to me that the Russians appear to have some influence. Vitaly Mutko, who was part of their state-sponsored doping program - a huge part of it - has also been on the FIFA board, and there had been some rulings to keep him out of the FIFA board moving forward. Apparently, the Russians have pushed back, and the FIFA governance figure responsible for the Mutko situation is now out after just eight months. So there's a real concern, I think, that internally FIFA isn't going to be doing as much, and declaring the crisis over is foolhardy and incorrect.

[00:30:48] When Domenico Scala resigned in Mexico City at the congress there, when he watched the role's independence stripped away, I think there was some surprise in compliance circles that Borbely and Eckert didn't go with him but, in retrospect, I was grateful that they hung in there because they do have all of these open cases and, now, to have lost their institutional knowledge and their history of what they described themselves as hundreds of open cases is a huge setback to the investigation.

[00:31:18] It is, and I'm pretty cynical at this point about any internal governance at FIFA having any real success. I've almost come to the point that I feel like the only way to investigate FIFA is a governmental investigation with subpoena power. If you don't have subpoena power, as these investigators in FIFA don't have, then it's going to be hard to get much. I remember the Garcia investigation into the FIFA bids for '18 and '22 did not have subpoena power, and it basically accepted the Russian "dog ate my homework" excuse that, "Our computers are gone, and we don't have the records," and, "OK, that was Cornel Borbely who was in charge of that Russian part of the investigation." They just sort of accepted that.

[00:32:05] I agree. I don't think I've been very mysterious about my position on internal investigations when so many of the key people are still there. If this were a corporation, we'd

be saying, "Come on. Nobody's going to take reform seriously until there's a true rigorous external review, top to bottom, with full cooperation from all the players," and we haven't seen anything like that.

[00:32:28] What I find fascinating now is that there are no new American sponsors coming on, and FIFA still needs to fill several sponsorship slots, even for 2018, which obviously isn't far from now, and the only sponsors they're adding are from China and Russia and Qatar. That should be pretty obvious why. I won't think that FIFA is really starting to turn a corner until you start seeing American companies sign on again because I think they reached a threshold where they were like, "Look, this has just crossed a point where FIFA has a terrible reputation, and we're not going to invest our money."

[00:33:11] Sign on with conditions, really making it clear that going forward their sponsorship dollars are going to be tied to certain compliance conditions. And they can do that. They're powerful enough to do that. It's a little disappointing we haven't seen that yet.

[00:33:24] Yeah that's true. We're also seeing that, I think, this is a big reason why FIFA is trying to steer the 2026 World Cup to the United States and North America.

[00:33:32] Fascinating work you're doing, Grant, and I do recommend your story about the FIFA presidential adventure. I'm delighted it's still up online because it's a great story, and the writing you do more generally. Thank you for taking the time to chat with me today.

[00:33:46] Thanks so much for having me.