

BBC Panorama

FIFA'S DIRTY SECRETS

29th November 2010

Jeremy Vine:

Hello I'm Jeremy Vine and this is Panorama.

Commentary – Andrew Jennings

Tonight - corruption at the heart of world football.

Roland Büchel, Swiss MP

The one hundred million dollar list? Complete?
So many payments over such a long period.

Commentary:

We reveal the three senior FIFA officials linked to an extraordinary list of secret payments worth around a hundred million dollars.

Hotel Bauer au Lac entrance, Zurich

Jennings: Mr Teixeira. Did you take your bribes through the Sanud company?

Commentary:

And the calls for FIFA to clean up its act once and for all.

David Mellor: Far more important than anything else in world football, is to get a FIFA that is clean and fit for purpose.

Jeremy Vine:

In three days time, we'll find out if England is to host the 2018 World Cup.

The bidding process has already been tainted by newspaper allegations about two members of FIFA's Executive Committee.

But we have uncovered fresh evidence on an even bigger corruption story.

Panorama has obtained a list of secret payments - bribes - some linked to three more of FIFA leaders.

Men who have the fate of England's world cup bid in their hands.

Andrew Jennings has been investigating the story that FIFA wanted to bury.

Commentary:

Everybody wants it.

They want it.

They definitely want it.

Archive – Nick Clegg

I believe this is an exceptionally strong, unbeatable bid.

Commentary:

There's no doubt we can do it.

And a recently deceased octopus predicted we would get it

The England campaign to host the 2018 World Cup has taken two years and had a budget of 15 million pounds.

On Thursday we'll find out if we've won.

It's FIFA who decide. They control the world game from this opulent glass palace in Zurich.

It's around this table that FIFA's executive committee will make the decision.

But they're having to re-arrange the chairs. Two of its 24 members will be missing. Amos Adamu and Reynald Temarii were banned from the vote by FIFA after a newspaper accused them of offering to sell their votes.

FIFA Press Conference – Sepp Blatter:

Our society is full of devils and these devils you find them in football. We have to fight that the people they are in charge of FIFA, they behave, as they should do.

Commentary:

The president of FIFA is Sepp Blatter. As the head of an organisation, which claims zero tolerance of bribery and corruption, did he say thank you to the media for exposing wrongdoing?

No.

FIFA Press Conference – Sepp Blatter

I am not pleased about that because this is not very fair. But it gives us the opportunity to clean a little bit whatever has to be cleaned.

Commentary:

I'm Andrew Jennings. I've been investigating FIFA for almost a decade. And in previous Panoramas, I've tried to get answers from President Blatter.

Archive 2006: Walking with President Blatter

Jennings: Do you know which football officials took bribes?

Blatter: Sorry, I don't speak about that.

Jennings: Do you know which football officials took payments?

Blatter: I don't answer these questions.

Commentary:

Asking these questions infuriates President Blatter. I'm the only journalist in the world banned from FIFA's headquarters.

Archive 2006:

Jennings: Why am I banned from FIFA House? What have I done?

FIFA press officer Andreas Herren: No comment.

Commentary:

Already they've had to get rid of two of the men voting on England's world cup bid. Are there others who should be removed from the table?

Andrew Jennings – to camera:

For years I've been gathering evidence about corruption at the highest levels within FIFA. But there was one crucial document I couldn't get hold of. Then just over a month ago a trusted source delivered the goods.

Commentary:

It's a secret document, which some people at FIFA hoped could be kept buried forever.

Line by line it details 175 secret payments, totalling tens of millions of dollars.

I know from well-placed sources that the payments were bribes.

Among the list of names. Some senior FIFA officials.

Andrew Jennings – to camera:

This is real money, massive kickbacks on World Cup contracts.

Commentary:

So who got the money? The story starts in the pretty Swiss city of Zug.

It was the home of the most successful sports marketing company in the world. International Sport and Leisure or ISL.

For 20 years FIFA awarded the right to commercially exploit the World Cup to this one company.

ISL then sold these rights to some of the biggest global brands keeping a hefty commission for themselves.

Top brands paid millions in good faith to put the World Cup logo on their products.

Adidas.

McDonalds.

Coca Cola.

TV networks paid even more to broadcast World Cup matches.

Roland Büchel, Swiss MP

It is huge money, it is a billion, billions that can be earned and all the sports marketing companies they fight, they want them.

Commentary:

So why did ISL always win the fight for the World Cup rights. Roland Büchel was an ISL account director.

Roland Büchel

When I worked at ISL we suspected that there was bribes being paid and there were people who knew of course, the ones who paid them.

Commentary:

The details of the bribes started to emerge after ISL went bust in 2001.

Six ISL managers were eventually taken to court in Zug in 2008, over the misuse of company money.

Zug Courthouse - Andrew Jennings – to camera:

Two years ago I sat in a courtroom here and listened as the secrets of the massive kickback conspiracy began to surface. One ISL executive told investigators that some FIFA leaders had treated his company like a bank.

Commentary:

The payments were referred to in court as *schmiergeld*, German slang for bribes.

But the ISL defendants couldn't be tried for commercial bribery. It wasn't a crime in Switzerland at the time.

So the full details have never been revealed. Until now.

The internal ISL documents we've obtained show secret payments of around \$100 million.

We understand that most of the bribes went to a handful of FIFA bosses.

Only one of them was named in the Zug court case.

82-year-old Nicolas Leoz, a member of FIFA's executive committee.

Commentary:

The boss of South American football was alleged to have taken two bribes totalling 130,000 dollars.

You might have expected President Blatter to order an immediate investigation.

He didn't.

Jennings – to camera:

Thanks to this secret list of payments we've obtained, never revealed in open court, we can see that Mr Leoz got a great deal more.

Commentary:

The ISL list shows he received three further payments.

One of two hundred thousand dollars.

Another one of two hundred thousand.

And yet another one.

That's a further 600,000 dollars worth of bribes for Mr Leoz.

We wrote asking him to explain the payments. He didn't respond so I tried to catch up with him at a luxury hotel in Zurich.

Hotel Bauer au Lac entrance, Zurich

Senor Leoz, Senor Leoz. Did you take bribes from the ISL company?

Senor Leoz, (Spanish translation of above)

Si or Non?

Commentary:

He'll soon be voting on England's bid. As will another man on our list, Issa Hayatou.

Jennings – to camera:

He's boss of African football. In 2002 he ran against President Blatter on a clean up FIFA platform.

Commentary:

Here he is.

Mr Hayatou is a FIFA Vice President representing fifty three African countries.

The list shows ISL paying him 100,000 French Francs.

Next to his name it says "barzahlung". German for cash payment.

He didn't answer our letter either. This time I got a bit closer.

Hotel Bauer au Lac entrance, Zurich

Jennings: Mr Hayatou. Andrew Jennings we've met before. Could you spare me a moment?

I'd like to ask you about monies.

Hayatou: Please, please, please.

We've looked. The ISL books show that you received money from the ISL books.

That's what the lists say. They say you received money, Issa.

Your name is in the books from ISL. Your name is in the books for getting money that is why I am asking you.

Doorman: Arrete please, out.

Jennings: OK, yeah.

Jennings – to camera:

ISL made the payments on this secret list between 1989 and 1999.

Commentary:

But we can't trace many of the people who got the money because it was channelled through companies in secretive Liechtenstein.

One of them, Sicuretta, received 36 payments. A total of almost 50 million dollars.

Jennings – to camera:

Here's another Liechtenstein company, named Sanud.

It got 21 payments totalling 9.5 million dollars.

This time there are some clues about who got the money.

Commentary:

They point to the most significant person linked to our secret document. He's another member of FIFA's executive committee.

And the man in charge of the next World Cup, in Brazil in 2014.

This is Ricardo Teixeira.

Panorama has met him before

In 1998 we tried to ask him about his role in sponsorship deals for Brazil's national team.

Archive:

Teixeira: You don't want to talk about football.

Steve Bradshaw: I would like to talk about football.

Teixeira: No more answers. No more questions. Bye, bye.

Commentary:

But we've got new questions, because that Liechtenstein company, Sanud, has been closely linked to him in the past.

An inquiry by the Brazilian senate in 2001 found that funds from Sanud had been secretly channeled to Mr Teixeira.

So did the 9.5 million dollars on our list end up in his pocket as well?

We wrote to Mr Teixeira and asked. He didn't reply either.

Hotel Bauer au Lac entrance, Zurich

Hello Mr Teixeira. Could we talk to you please?

Commentary:

So I went back to FIFA's hotel in Zurich to ask him.

Did you take your bribes through the Sanud company?

What were those payments from the ISL company for?

Mr Teixeira?

Oh dear.

Commentary:

We told the Brazilian Senator who led that 2001 inquiry about the ISL payments to Sanud.

He said, "This is another scandal, a big scandal".

Mr Leoz, Mr Hayatou and Mr Teixeira.

Three FIFA bosses that England's Bid Team has been lobbying to vote for England in three days time.

Roland Büchel – Swiss MP

The 100 million dollar list? Complete?

Jennings: 100 million dollars.

Commentary:

I showed the list of payments to Roland Büchel, former ISL insider and now a Swiss MP.

Roland Büchel – Swiss MP

It's, it's, it's incredible, the sum is incredible and I'm surprised that there have been so many payments over such a long period. I think it will be a big surprise up in FIFA House.

Commentary:

But how much of a surprise? Sepp Blatter's known about the ISL scandal for years.

We asked him why FIFA hadn't investigated? He said in a statement,

"The Zug criminal court largely exonerated the managers of ISL", "notably ...in connection with the accusation of paying commissions to sports officials."

The ISL managers were largely exonerated.

But they weren't cleared of paying commissions, or bribes, because that's not what they were in court for.

Mr Blatter's statement went on, "It is important to stress that no FIFA officials were accused of any criminal offence in these proceedings."

Jennings – to camera:

That's true but what President Blatter didn't mention was there has been a second criminal investigation into ISL bribes. And that did involve FIFA officials.

Commentary:

That case was only closed in June this year when some FIFA officials agreed to repay three and a half million pounds they had received in kickbacks on ISL marketing contracts.

This was an out of court settlement and the identities of the accused were kept secret.

Yet FIFA still won't investigate.

Some think its honest members should stand up and be counted.

Roland Büchel – Swiss MP

There are still many people in the executive committee who did not take anything, the pressure from them will be, will have to be big if not, I can't understand what they really want to do with the federation if they don't act now.

Commentary:

David Mellor was the head of Tony Blair's football taskforce. He saw FIFA at close quarters.

David Mellor – Chairman Football Task Force, 1997-1999

I don't understand how in this day and age when everybody is concerned in every other walk of life about accountability and about freedom from even the suggestion of corruption, let alone the reality of corruption, it astonishes me that FIFA continues the way that it does.

Commentary:

The list of ISL payments isn't the only scandal at FIFA. We've got further evidence about another FIFA boss who will vote on Thursday.

A man I've met many times.

Zurich airport:

Jennings: Mr Warner, good morning welcome to Zurich.

Commentary:

Vice President Jack Warner – he controls football in the Caribbean, North and Central America.

Jennings: How much did you make selling world cup tickets this year?

Commentary:

In 2006 I asked him about the profits he'd made from selling thousands of tickets for the Germany World Cup.

He'd sold them to black market touts making his company an estimated profit of one million dollars.

Jennings: This is a very, very polite inquiry Mr Warner.

Warner: If I could've spit on you I would have spat on you.

Jennings: If you could spit on me you would spit on me?

Warner: I would not, of course dignify my spit.

Jennings: Why would you spit on me?

Warner: Because you are garbage.

Jennings: I'm garbage.

Commentary:

Three months later FIFA secretly ordered Jack Warner's family business to make a one million dollar donation to charity "to compensate for the profits it had made through the resale of 2006 FIFA World Cup tickets.'

Jennings: Thank you Mr Warner. Thank you.

David Mellor:

I think that it's almost impossible to think of any other organisation where the kind of allegations can be so repeatedly made as have been made against Mr Warner, and that he could survive.

Commentary:

And survive he did. This year and another World Cup in South Africa – and Jack Warner was at it again, ordering 84 thousand dollars worth of tickets from FIFA to sell to touts.

I caught up with the Norwegian journalists who obtained emails and an invoice revealing Mr Warner's involvement in ordering the tickets.

But was FIFA interested?

Espen Sandli – Dagbladet:

It's quite strange, because this is the second time that Jack Warner has basically been caught with his pants down and. The Ethics Committee never takes it seriously. It's the Vice President. It's a serious allegation.

Commentary:

We've examined their evidence in detail.

Torgeir Krokfjord – Dagbladet

That exact number of tickets which they ordered from Mr Warner.

Commentary:

Although the deal eventually fell through, it's clear Jack Warner has questions to answer. Being banned from FIFA, I couldn't ask them.

They could.

**FIFA Press Conference: Torgeir Krokfjord –
Dagbladet**

Jack Warner was involved in the black market ticket trade again. Why hasn't this been investigated by FIFA?

President Blatter:

The Jack Warner case is not a case that we have dealt with. Should it be knowledgeable to us, by official means, or by official channels, then naturally then we would have a look on that.

Commentary:

Official channels? What does that mean? Would FIFA look at the evidence?

Espen Sandli – Dagbladet

So we asked the media office what Mr Sepp Blatter means by official channels. And as they said, “We have no idea”.

Commentary:

Jack Warner is one of FIFA’s untouchables. He’s always ignored Panorama’s questions. But he told the press our allegations were “a rehash of the same old bullshit” and that he continues to “sleep very soundly at night.

David Beckham’s already met him. This week David Cameron hopes to - in Zurich - to discuss England’s bid.

Back home, no one wants to talk about the issues we’re raising.

Two government ministers and the bid team declined our requests for interviews.

But one man who supported England’s bid for the last government did speak to us.

Gerry Sutcliffe – Minister of Sport, 2007-2010

Jennings: Is it wise to get into a contest where some of the voters on the FIFA Executive Committee are clearly very dubious people and open to corruption?

Sutcliffe: Well we have to deal with what is in front of us, which is FIFA Executive Committee that will be making the decision on England’s bid for the World Cup. All that we have done is make sure we’ve got the best technical bid that is available and try to convince the FIFA executive members that England should be where the World Cup is held in 2018.

David Mellor:

Logic has to be suspended. Normal standards of integrity and honesty have to be suspended. We have to go in on our knees to accept FIFA diktats. Crawl on our bellies to beg them to give us the world cup.

Commentary:

Why don't our politicians and football leaders ask questions about the men around this table?

England 2018 Bid Video

We would be honoured to host the 2018 FIFA World Cup.

Why?

We love football.

It's our national sport.

Commentary:

It's not just the fans who think it's a prize worth winning. It's a matter of national pride.

England 2018 Bid Video

England is ready willing and able to deliver the best World Cup ever.

Commentary:

To help sell us the dream, we've been promised it will bring jobs and lots of money.

But just how much money and on whose terms?

England 2018 Bid Video

Fans are predicted to spend over five billion pounds with three million international visitors contributing over three billion pounds to the UK economy.

Commentary:

Sounds great. But how can we know how much the World Cup will bring us when even the Government admits it hasn't yet worked out all the costs?

Here in Holland they're also bidding. The Dutch Government has calculated the costs. Rather than a financial bonanza, their report predicts an overall loss of 150 million euros.

There's something else the Dutch people know that we don't.

Details of the guarantees FIFA demands from governments who want the World Cup.

FIFA insists they're kept secret. They say that's common business practice. But the Dutch decided to publish them.

There are eight guarantees FIFA insists governments have to sign.

Visa rules are thrown out of the window.

Workers rights suspended.

And new laws may be needed to protect FIFA's official sponsors.

It's all too much for some here.

Renske Leijten – Dutch MP

As a government you make laws for everybody, for every situation. You're not going to make laws just for one

situation, and that one situation is the World Cup. You do not make laws to protect one organisation. You don't do that.

Commentary:

The demands help guarantee FIFA's financial return – more than three billion dollars from the last World Cup. Most startling of all FIFA's demands on tax.

Prof Han Kogels – Erasmus University, Rotterdam

They want to create their own tax haven, a full exempt situation. It is FIFA and it is FIFA's subsidiaries which are fully exempt from any tax whatsoever, levied at what ever level, state level, municipality level, all sorts of taxes. Consumption taxes, income taxes, you name it. It's all exempt.

Commentary:

There are also tax breaks for FIFA's official sponsors.

The Dutch have calculated that, if they win the bid, FIFA's tax demands could amount to 300 million Euros.

FIFA says the guarantees are reasonable. They are a not-for-profit organisation which funds the development of football and that the FIFA World Cup is FIFA's only source of income.

Jennings – to camera:

FIFA wants all bidders to sign up to its demands. The Dutch watered some of them down and got a very stiff letter from FIFA.

They were putting their hopes of hosting the world cup in jeopardy.

In the UK, even Parliament hasn't seen the Guarantees.

One senior parliamentarian wanted to know about the FIFA tax breaks but was told the guarantees were confidential. So we showed him the ones published in Holland.

Lord Corbett – Former Labour Whip

So now you've seen the guarantees now, what do you think of them?

It is just indefensible. I mean that's the word for it. It is indefensible and it's an insult to taxpayers in this country. These are demands, you sign up here or otherwise your bid will be likely to be regarded as deficient. They have the audacity to seek to instruct the Parliament that they'll dance to the FIFA tune.

Gerry Sutcliffe – Minister of Sport, 2007-2010

Some people see the guarantees as being onerous. My view was that the benefits to having the competition far outweigh the disadvantages. The government guarantees that FIFA demanded are similar to what other international bodies do in terms of the Olympics and other international competitions that we wanted to host and it's important that we sign up these guarantees on the basis of the bid being able to be successful.

Commentary:

The British Government signed the guarantees, they're in the bid book. But we understand that they have raised concerns with FIFA about their demands on tax, visas, security and labour laws.

Archive – David Beckham with Blatter:

We present you with our bid book for 2018.

Commentary:

The hope is that if we get the tournament we can re-negotiate. I wonder what Sepp Blatter will make of that?

David Mellor

I understand why people want the World Cup. We invented football why shouldn't we have the world cup finals?

But I can't help feeling it would be a better role for England to actually be insisting on the reform of FIFA, making FIFA transparent, making FIFA accountable.

Commentary:

With only three days left before the vote, will President Sepp Blatter take action against the three men we've shown have taken bribes?

It seems unlikely. We've been told President Blatter has known about one ISL bribe for 13 years. And has done nothing.

This is former FIFA President Joao Havelange. Four years ago, I reported how a huge payment intended for him had ended up in FIFA's bank account by mistake.

Witnesses said there was panic when a bank statement listing the payment landed on the desk of then FIFA General Secretary Sepp Blatter.

Archive 2006: Jennings to Blatter.

I'm told you ordered this bribe should be moved to the man who was named on the payment. Can you tell me who it went to? Was it President Havelange?

Commentary

We've never been given an answer. But does it lie in our secret list of payments? One entry stands out. "Garantie

JH", Joao Havelange's initials next to a payment of one and a half million Swiss Francs...a million dollars

We wrote to both Honorary FIFA President Havelange and Sepp Blatter about this bribe. Mr Havelange didn't respond and Mr Blatter again referred us to the 2008 court case in Zug.

But if FIFA won't reveal the truth, isn't it high time the politicians forced them?

Roland Büchel – Swiss MP

Andrew, we are not speaking about sports, we're speaking about corruption and politics can't be kept out of that. After decades of corruption, we need now an external, an international and an independent investigation into the FIFA books.

David Mellor

Far more important than anything else in world football, is to get a FIFA that is clean and fit for purpose and we don't have that at the moment.

Jeremy Vine

Andrew Jennings reporting there.

And, as we heard, the Prime Minister and the England 2018 bid team are due to lobby FIFA's executive committee members in Zurich tomorrow.

Now the bid team has already written to the committee members expressing solidarity with them.

Well we'll find out in three days time if England has won the bid.

Andrew Jennings
Reporter

Steve Foote
Camera

Jon Stapleton
Links Camera

Eric Fever
Links Sound

Boyd Nagle
Katie Kemp
Online Editors

Andrew Sears
Jez Spencer
Enzo Cannatella
Dubbing Mixers

Ushma Vyas
Tania Teixeira
Web Producers

Caroline Mallan
Multiplatform Editor

Karen Walsh
Film Research

Cecilia Evans
Production Co-ordinator

Peter Morrow
Unit Manager

Chris Stott
Post Production Co-ordinator

Jonathan Coffey
Assistant Producer

Andrew Head
Andy Bell
Producers

Gary Beelders
Simon Thorne
Film Editors

Karen Wightman
Executive Producer

James Oliver
Producer

Editor
Tom Giles

BBC MMX