

BLATTER'S DEN



In the spotlight: Blatter, pictured with his predecessor Havelange, oversaw the sale of rights to this summer's World Cup and the 2002 tournament in Japan and South Korea in triumph for Brazil.
Pictures: GETTY IMAGES



A Swiss judge declared ISL bankrupt on May 21, 2001. Two months later, hundreds of people travelled to Zug for the first ISL group creditors' meeting. It was a hot day and the air was close in the meeting room.

WHEN we broke for coffee I followed the liquidator, Dr Thomas Bauer, out into the lobby. A tall man with a boyish grin, he'd been delving through ISL's files for six weeks. I didn't expect him to answer a reporter's question, but it was worth a try.

'Excuse me, Dr Bauer, have you found any evidence of black money payments to sports officials?'

He smiled. 'Yes, I have found football-related payments from ISL. Some are very large, in excess of one million Swiss francs. I have tried to make connections between the payments and specific contracts, but this has not been possible.'

Bauer added: 'All the payments went abroad. There are none to Swiss nationals. I have written to the recipients asking them to return the money. We are now in negotiation — and, if necessary, litigation — to get the money returned.'

Would he be reporting these payments to the police? 'No. My duty is to reclaim assets of the company. That's all,' he replied.

For month after month Bauer doggedly negotiated with former ISL boss Jean-Marie Weber, but after almost two years' wrangling he'd run out of patience.

On May 20, 2003, Bauer filed a writ against ISL's directors. He wanted them to pay back the money they'd given to football officials. And he wanted them to hand over documents that would reveal the names of those involved in the transactions.

A few months later, in November 2003, I dropped in on Bauer in his small Basel office. He knew he was close to clinching the deal that might get back all those millions paid to football officials, including the million-franc bribe that accidentally landed up in FIFA's account.

On February 18, 2004, a special account was opened at a Zurich bank. It was named 'Escrow Number 1/Weber' and was the channel for football officials to repay their bribes from ISL.

Opening the account, and negotiating the return of the money, was Professor Peter Nobel, one of Switzerland's most respected lawyers who had previously represented Blatter and FIFA.

Nobel and Bauer negotiated amid the utmost secrecy. These were highly sensitive matters. Professor Nobel secured a good deal for his secret clients. He got the demand reduced by a million francs to 2.5million. And he got Bauer's agreement to close the case and not come back for more money later.

THE foreword to the agreement, dated February 27, 2004, says: 'Mr Weber wishes that the recipients of the money paid by ISL who are directly or indirectly involved in football business will not be asked to repay any further money.'

It was also clear that Weber himself was not putting up the money. He was merely a vehicle for the bribe-takers to surreptitiously return some of their kickbacks.

A year later, Switzerland's most senior judges looked at the document and concluded coldly that the money was 'paid by persons with an interest that (Bauer's) lawsuit (to reveal the names of the bribe-takers) should never take place.'

That might have been that, but for a parallel investigation of ISL launched by investigating magistrate Thomas Hildbrand in the

Swiss canton of Zug. Hildbrand wanted to know what ISL executives had done with more than £50m paid them by the Brazilian network Globo for television rights to the 2002 and 2006 World Cups. That money should have been passed on to FIFA, only it never arrived.

On May 11, 2005, Hildbrand charged Weber and several of his ISL associates with fraud, forgery and embezzlement of the Globo money. Hildbrand issued a statement revealing that his investigations had extended to five countries.

Near the end of 2005, Bauer withdrew as ISL liquidator and was replaced by Karl Wüthrich, the formidable liquidator of Swissair. At around 10.30 on the morning of November 3, 2005, Thomas Hildbrand arrived, unannounced, at the front door of FIFA House in Zurich with a squad of investigators and a warrant to search the offices of Blatter and Urs Linsi, general secretary and finance chief.

News of the raid was broken by a Swiss journalist three weeks later. The reason given on the search warrant was 'disloyalty to one's employer'. FIFA spokesman Andreas Herren said: 'Nobody from FIFA or the organisation has been accused of anything. We think Hildbrand has over-reacted. Documents were taken and, to some extent, have since been returned.' Hildbrand declines to comment.

The ISL managers accused of embezzling FIFA's money are still awaiting their fate in the Zug court. FIFA is building a new headquarters in Zurich. No secrets in the new closets, no skeletons under the freshly laid floors. But they can't pulp the bank records in basements in Zurich and Zug.

Tick, tick, tick.

Abridged extract from FOUL! THE SECRET WORLD OF FIFA: BRIBES, VOTE-RIGGING AND TICKET SCANDALS by Andrew Jennings, published by HarperSport on May 2 at £18.99. © Andrew Jennings 2006 To order a copy at £15.99 (plus £1.95 p&p), telephone 0870 161 0870.

THE BOOK THEY TRIED TO BAN...

ANDREW JENNINGS is a seasoned investigative journalist and a veteran of many battles with rich and powerful sports administrators, but even he was shocked by a knock on his door in Cumbria last November.

A county court bailiff, acting on behalf of a Swiss court, was serving an indictment on Jennings notifying him that FIFA president Sepp Blatter had requested an injunction to stop publication of his forthcoming book *Foul!*

In particular, the FIFA boss wanted to stop Jennings alleging that 'soccer's leaders run rackets, pocket bribes, rig elections and tout World Cup tickets'.

He also asked the court in Meilen to prevent dissemination of the claim that 'Blatter and his army of supporters have misappropriated

FOUL!

THE SECRET WORLD OF FIFA: BRIBES, VOTE RIGGING AND TICKET SCANDALS



Andrew Jennings

Open secrets: FIFA went to court to ban Jennings' book in Switzerland, but it goes on sale here this week

their position at the head of the world game in their desire for power, and a lucrative pay-off'. Although the injunction was initially denied, frantic legal action was still going on late last week, resulting in a ban on the sale of the book in Switzerland. Blatter's lawyers may try to extend this to Germany and Austria. However, there is no chance a ban would succeed here because the courts would insist on a full examination of the evidence — the last thing that Blatter wants — and the book will be published in Britain this week.

It was Jennings who first uncovered corruption at the heart of the Olympic movement in his book *Lords of the Rings*. Handed a five-day jail sentence by a Swiss court, he was later vindicated when his revelation that IOC members were soliciting bribes from bidding cities was confirmed by the Salt Lake City scandal. The U.S. Senate invited him to testify to their official investigation.

He turned his attention to football's governing body and was shocked by what he discovered. Three years ago, he revealed in *Sportsmail* that FIFA general secretary Sepp Blatter had paid himself a secret bonus. Blatter threatened to sue — he never has — and banned Jennings from all FIFA events.

'Football is still the beautiful game, but there's been ugly business going on,' he says. 'I'd like to see the beautiful game get the leadership it deserves.'

my mission. I will give all the energy I have and so will all those who believe in the good of the game. We have to take care of the game.' +++