

FOUL DEEDS IN



by **ANDREW JENNINGS**

S EVEN o'clock in the morning at FIFA'S white-walled, red-tiled mansion perched on a hillside high above Zurich in the district of Sonnenberg, or Sunny Hill.

Down in the warm basement mailroom, secretaries gather to collect the post and telexes and overnight faxes. News of football results, player transfers, tournaments, travel schedules, pleas for subsidies from national associations, appointments with heads of state — just an ordinary day's business at the world's largest sports organisation.

Heads of department pop in, eager to pick up some tidbit of news they can take upstairs and present, personally, to the boss, in exchange for a small favourable comment, or just a nod of approval. Here comes Erwin Schmid, FIFA's director of finance, a broad-shouldered bear of a man, his shirt-tail escaping from his trousers.

He picks up an envelope. It is from the head office of FIFA's bankers, the Union Bank of Switzerland. Erwin tears it open and looks at the enclosed document, a notification of a payment. His plump face pales. He reads it again. Something is not right. Something is most irregular. Erwin leaves the mailroom and heads for the elevator, gripping the document nervously.

Two floors up, FIFA general secretary Joseph S Blatter, known universally as 'Sepp', reclines behind his leather-topped desk, in a high-backed, black leather chair, reading his favourite newspaper, the *Neue Zürcher Zeitung*. The big JVC television is silent; it's too early for the tennis he loves to watch.

At 61, Blatter has the air of a man used to being in charge. He's a round man, a little on the short side and going bald, but his well-cut suit, two-tone shirt and solid gold cufflinks, his don't-waste-my-time stare, all say: *I've been the boss for 17 years. Now, what can you do for me?*

President Joao Havelange has an office just above, but today he's an ocean away, at home in Brazil. Sepp is in charge.

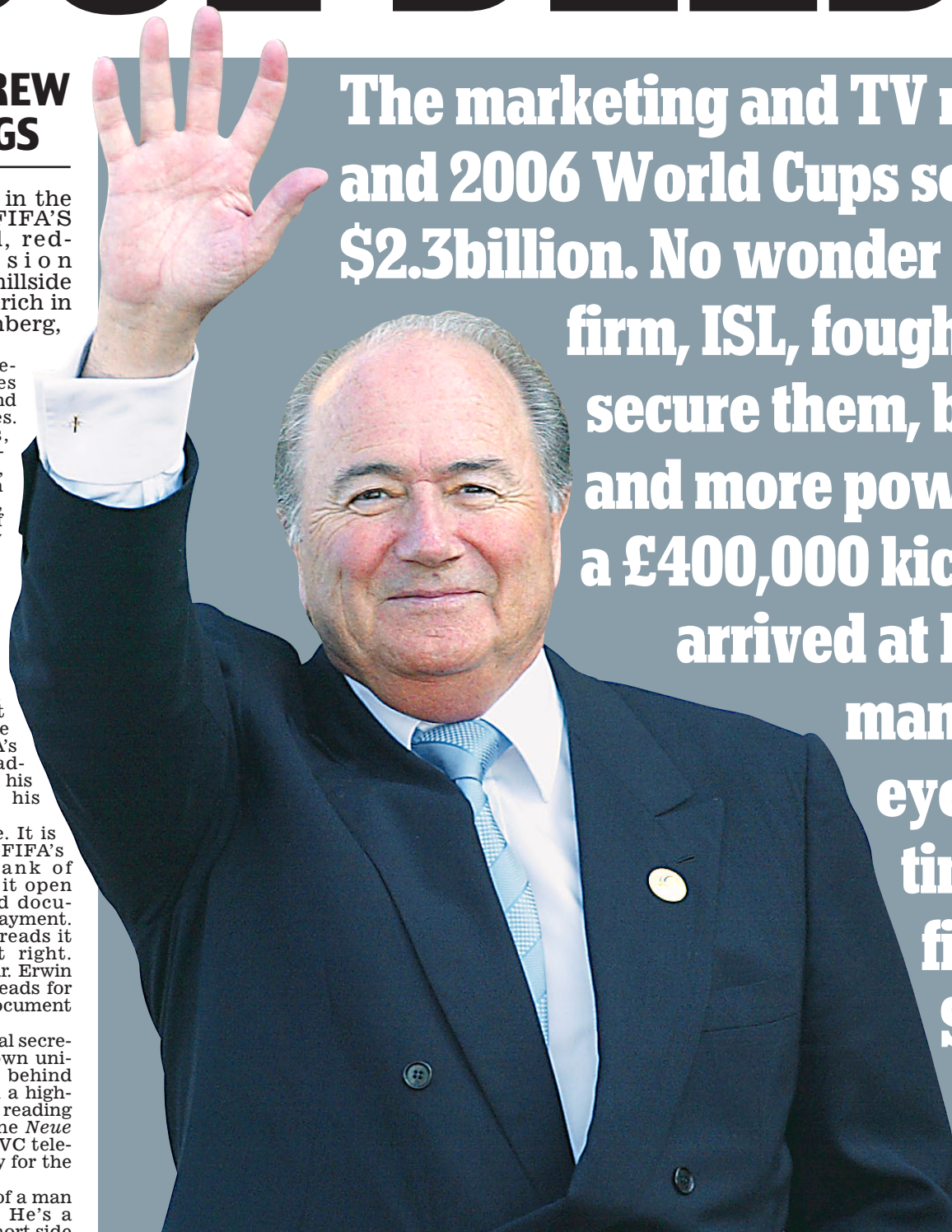
Blatter enjoys the villa's finest views. A gigantic picture window frames the distant Alps, the wooded ridge and, far below, the lake and the old city, its church steeples squeezed between the valley shoulders.

But this is no day to enjoy the view. His finance director has bad news for the boss who is also his good friend. Schmid tells colleagues: 'I have only one friend in my life and that is JSB.' And now he has the kind of news that can tear friendships apart. As the elevator rises, Erwin's spirits sink.

For the past three years Blatter has personally overseen the sale of rights for the World Cups of 2002 and 2006: the rights to show the games on television in every country in the world and the rights to put FIFA's badge and the magic words 'World Cup' on soft drinks, beer, burgers, razors and trainers.

And senior people within FIFA have overseen a whopping \$2.3-billion-worth of business pass to old friends in a secretive company a

The marketing and TV rights for the 2002 and 2006 World Cups sold for a cool \$2.3 billion. No wonder an obscure Swiss firm, ISL, fought tooth and nail to secure them, beating off bigger and more powerful rivals. Then, a £400,000 kickback from ISL arrived at FIFA's HQ and this man turned a blind eye. It's the ticking time bomb that could finally bring down Sepp Blatter, the most powerful man in football...



Running out of time: Blatter is used to being in charge but now his days as FIFA chief may be numbered

Picture: MIKE HUTCHINGS

few Alpine ranges to the south. Sitting at No 10 Marktstrasse in the little tax-haven city of Sarnen, this company goes by the name of International Sport and Leisure, or ISL.

They were awarded the rights ahead of a rival consortium made up of the American marketing company IMG and UFA, the television subsidiary of Bertelsmann, the world's biggest media conglomerate. IMG/UFA had offered 'the most attractive bid for the World Cup 2002 commercial rights, irrespective of alternative proposals', but were blown out of the water when FIFA informed them, at the last minute, that they were offering the rights to 2002 and 2006 as a single package.

ISL, who had been given prior notification of this, duly won the day. 'It is difficult to believe that FIFA genuinely want to consider our offer on a properly competitive basis,' raged Eric Drossart, head of the beaten IMG/UFA consortium in a letter to Blatter.

Now Erwin is stepping out of the lift. The document in his hand threatens to blow FIFA apart. Over the years there's been unkind talk

of the relationship between FIFA and ISL, rumours of kickbacks and bribes. Loyal fellows like Erwin have dismissed that talk. Special relationships always attract gossip, don't they? Bad losers often complain. And there's been no evidence of wrongdoing. But now, there's this piece of paper. A payment has landed somewhere it shouldn't.

Erwin pads along the carpeted corridor. He reaches Blatter's door, knocks and waits for the call. He hands the document to Blatter. It is a standard UBS form, stating that ISL has transferred one million Swiss francs (about £400,000) into FIFA's account. It's the payee's name that makes acid churn in the belly. He's a senior official in football. It's a very fat 'thank you'.

This is most improper. 'My God,' Blatter groans. He stands up. 'This is a problem. It does not belong to us.' Erwin knows that. But what will Blatter do? Call in the police? Report it to FIFA's executive, to the finance committee?

Instead, the money is moved out of FIFA's account to the man named on the payment order. And

the record of the transaction sits there. The law says this record must be kept until the winter of 2008. So there it is, a ticking time bomb, waiting to go off.

Tick. Tick. Tick.

SIX YEARS on, and President Blatter, having succeeded Havelange to the top job in 1998, is in the Tunisian capital for the final of the 2004 African Nations Cup. At the Abou Nawas Hotel, a question from the floor. What does the president think of African football? Blatter smiles. He says with conviction: 'Africa is the future of football.' (It's a formula that works for him. About the women's game? That firm voice: 'The future of football.' About Asia? 'The future of football.') Blatter's on good form, flashing his warmest charismatic smile. It's a beautiful day.

But there's a party pooper. Me. I've got hold of the roaming microphone. 'A question to president Blatter.'

His smile fades, he draws up a fist to support his chin. I'm not his favourite reporter. 'After the last marketing and TV contract was signed with ISL for 2002 and 2006, a secret payment of one million Swiss francs from ISL arrived by accident in FIFA's bank account.'

I draw breath. Sepp's eyes tighten a little. I'm off again. 'It is alleged that you, as general secretary, instructed it was to be moved immediately to a private account of a FIFA official.' Then I ask him who it went to.

Blatter tenses up, gazes down at the table before him and mutters something about the ISL company, now in the hands of a liquidator.

Then, he says, frostily: 'I will not enter into discussion here in this press conference and I think also it is totally out of the matter we like to discuss today in Africa together with the African journalists for the development of football in this continent. I'm sorry, I am sure your colleagues from the African and international press here, they will agree with me.'

They didn't. 'Blatter's face went green!' laughed one magazine editor afterwards. 'No,' a friend from the Kenyan *Daily Nation* corrected him, 'he turned yellow.'

Tick. Tick. Tick.

TOMORROW: How Jack Warner turned FIFA into a cash cow

+++ FIFA president Blatter confirmed this week that he will be seeking a third term of office next year and declared: 'I have not finished