

GLOBAL CORRUPTION REPORT

Sport

Global Corruption Report: Sport

Sport is a global phenomenon engaging billions of people and generating annual revenues of more than US\$145 billion. Problems in the governance of sports organisations, the fixing of matches and the staging of major sporting events have spurred action on many fronts. Attempts to stop corruption in sport, however, are still at an early stage.

The *Global Corruption Report* (GCR) on sport is the most comprehensive analysis of sports corruption to date. It consists of more than 60 contributions from leading experts in the fields of corruption and sport, from sports organisations, governments, multilateral institutions, sponsors, athletes, supporters, academia and the wider anti-corruption movement.

This GCR provides essential analysis for understanding the corruption risks in sport, focusing on sports governance, the business of sport, the planning of major events and match-fixing. It highlights the significant work that has already been done and presents new approaches to strengthening integrity in sport. In addition to measuring transparency and accountability, the GCR gives priority to participation, from sponsors to athletes to supporters – an essential to restoring trust in sport.

Transparency International (TI) is the global civil society organisation leading the fight against corruption. Through more than 100 chapters worldwide and an international secretariat in Berlin, TI raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle it.

“Transparency International have for years undertaken valuable, authoritative work on governance issues of vital importance in sport, and the concerns they have raised have been repeatedly vindicated. The research and insights in this book provide another major contribution to the recognition that sports must be true to the love people have for them.”

–David Conn, The Guardian

“At last a truly comprehensive, critical and impassioned look at the whole range of governance and corruption issues that have engulfed global sport. For those that want to know what has been going on, why, and how to do something about it, this book will be their first point of call.”

*–David Goldblatt, award-winning author of The Game of Our Lives:
The Meaning and Making of English Football*

Global Corruption Report: Sport

**TRANSPARENCY
INTERNATIONAL**

earthscan
from Routledge

 **TRANSPARENCY
INTERNATIONAL**
the global coalition against corruption

 **Routledge**
Taylor & Francis Group
LONDON AND NEW YORK

First published 2016
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 2016 Transparency International

Editor: Gareth Sweeney, Associate Editor: Kelly McCarthy

The right of Transparency International to be identified as the author of the editorial material, and of the authors for their individual chapters, has been asserted in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

A catalog record for this book has been requested

ISBN: 978-1-138-90589-4 (hbk)

ISBN: 978-1-138-90592-4 (pbk)

ISBN: 978-1-315-69570-9 (ebk)

Typeset in Helvetica

by Keystroke, Station Road, Codsall, Wolverhampton

Contents

<i>List of illustrations</i>	xi
<i>Preface</i> <i>Cobus de Swardt, Managing Director, Transparency International</i>	xiii
<i>Foreword</i> <i>Raí Souza Vieira de Oliveira, founder of the Gol de Letra Foundation and captain of the Brazilian 1994 World Cup winning team</i>	xv
<i>Acknowledgements</i>	xvii
<i>Executive summary</i> <i>Gareth Sweeney, Editor, Global Corruption Report, Transparency International</i>	xix
Part 1 Governance of sport: the global view	1
1.1 Sport as a force for good <i>Bob Munro, Mathare Youth Sports Association and Mathare United FC</i>	3
1.2 Fair play: ideals and realities <i>Richard H. McLaren, McLaren Global Sport Solutions</i>	12
1.3 Autonomy and governance: necessary bedfellows in the fight against corruption in sport <i>Jean-Loup Chappelet, IDHEAP Swiss Graduate School of Public Administration</i>	16
1.4 Obstacles to accountability in international sports governance <i>Roger Pielke Jr, University of Colorado</i>	29
1.5 Political interference, power struggles, corruption and greed: the undermining of football governance in Asia <i>James M. Dorsey, S. Rajaratnam School of International Studies</i>	39
1.6 Corruption in African sport: a summary <i>Chris Tsuma, Africa Centre for Open Governance (AfriCOG)</i>	44
1.7 Impunity and corruption in South American football governance <i>Juca Kfour, Folha de São Paulo</i>	52

1.8	Indicators and benchmarking tools for sports governance <i>Arnout Geeraert, Catholic University of Leuven</i>	56
1.9	Examples of evolving good governance practices in sport <i>Michael Pedersen, M INC</i>	62
1.10	For the good of the game? Governance on the outskirts of international football <i>Steve Menary, World Soccer</i>	65
1.11	Image-laundering by countries through sports <i>Naomi Westland, Amnesty International UK</i>	73
1.12	Opening the door to corruption in Hungary's sport financing <i>Miklós Ligeti and Gyula Mucsi, Transparency International Hungary</i>	79
1.13	Challenges and approaches to ensuring good governance in grassroots sport <i>Mogens Kirkeby, International Sport and Culture Association (ISCA)</i>	88
1.14	The Code of Ethics for sport in the Municipality of Milan: a grassroots approach against organised crime and corruption in sports <i>Paolo Bertaccini Bonoli, Transparency International Italy, and Caterina Gozzoli, Catholic University of Milan</i>	94
Part 2	Money, markets and private interests in football	99
2.1	Offside: FIFA, marketing companies and undue influence in football <i>Jamil Chade, O Estadão</i>	101
2.2	Measuring the United Kingdom's 'offshore game' <i>George Turner, Tax Justice Network</i>	105
2.3	Unfit, improper ownership in UK football clubs <i>Arjun Medhi, UK Chartered Institute for Public Finance and Accountancy</i>	109
2.4	Agents and beyond: corruption risks in the football transfer market and the need for reform <i>Raffaele Poli, Football Observatory of the Centre International d'Étude du Sport, University of Neuchâtel</i>	114
2.5	Third-party ownership of football players: human beings or traded assets? <i>Jonas Baer-Hoffmann, FIFPro</i>	118
2.6	Origins, practice and regulation of third-party ownership in South America <i>Alexandra Gómez Bruinewoud, FIFPro, and Gonzalo Bossart, Alessandri, Bossart, Pacheco and Cia</i>	125

Part 3 Events in the spotlight	131
3.1 The multiple roles of mega-events: mega-promises, mini-outcomes? <i>Martin Müller, University of Zurich</i>	133
3.2 Who bids for events and why? <i>Scarlett Cornelissen, Stellenbosch University</i>	139
3.3 The problem with sporting mega-event impact assessment <i>Eleni Theodoraki, Edinburgh Napier University</i>	143
3.4 Corruption and the bidding process for the Olympics and World Cup <i>Andrew Zimbalist, Smith College</i>	152
3.5 Compromise or compromised? The bidding process for the award of the Olympic Games and the FIFA World Cup <i>Stefan Szymanski, Michigan Center for Sport Management</i>	157
3.6 The planning and hosting of sports mega-events: sources, forms and the prevention of corruption <i>John Horne, University of Central Lancashire</i>	163
3.7 Preventing corruption in the planning of major sporting events: open issues <i>Wolfgang Maennig, Hamburg University</i>	169
3.8 Malpractice in the 2010 Delhi Commonwealth Games and the renovation of Shivaji Stadium <i>Ashutosh Kumar Mishra, Transparency International India</i>	174
3.9 Preventing corruption ahead of major sports events: learning from the 2012 London Games <i>Kevin Carpenter, Captivate Legal and Sport Solutions</i>	178
3.10 The 2014 Sochi Winter Olympics: who stands to gain? <i>Oleg Golubchikov, Cardiff University</i>	183
3.11 The need for transparency and monitoring ahead of the 2018 World Cup in Russia <i>Anna Koval and Andrew Jvirblis, Transparency International Russia</i>	192
3.12 Sporting mega-events, corruption and rights: the case of the 2022 Qatar World Cup <i>Sharan Burrow, International Trade Union Confederation</i>	198
3.13 The Brazilian experience as 'role model' <i>Christopher Gaffney, University of Zurich</i>	204

3.14	Rio 2016 and the birth of Brazilian transparency <i>Andy Spalding, Pat Barr, Albert Flores, Kat Gavin, Shaun Freiman, Tyler Klink, Carter Nichols, Ann Reid and Rina Van Orden, University of Richmond</i>	211
3.15	Sports mega-event legacies: from the beneficial to the destructive <i>Helen Lenskyj, University of Toronto</i>	218
3.16	Urban speculation by Spanish football clubs <i>Nefer Ruiz Crespo, Transparency International Spain</i>	223
Part 4	Match-fixing	229
4.1	Why sport is losing the war to match-fixers <i>Declan Hill, investigative journalist</i>	231
4.2	The role of the betting industry <i>Ben Van Rompuy, TMC Asser Institute</i>	236
4.3	Cricket in Bangladesh: challenges of governance and match-fixing <i>Iftekhar Zaman, Rumana Sharmin and Mohammad Nure Alam, Transparency International Bangladesh</i>	242
4.4	The gap between sports institutions and the public will: responses to match-fixing in Lithuania <i>Rugile Trumpyte, Transparency International Lithuania</i>	250
4.5	Australia's 'National Policy on Match-Fixing in Sport' <i>Jane Ellis, Transparency International Australia</i>	254
4.6	Match-fixing: the role of prevention <i>Ulrike Spitz, Transparency International Germany</i>	257
4.7	New media approaches to tackling match-fixing in Finnish football <i>Annukka Timonen, Transparency International Finland</i>	262
4.8	Prevention and education in match-fixing: the European experience <i>Deborah Unger, Transparency International</i>	264
4.9	The Austrian approach: how to combat match-fixing and promote integrity in sport <i>Severin Moritzer, Play Fair Code</i>	269
Part 5	The US model: collegiate sports and corruption	273
5.1	The roots of corruption in US collegiate sport <i>Donna Lopiano, Sports Management Resources</i>	275

5.2	Academic fraud and commercialised collegiate athletics: lessons from the North Carolina case	286
	<i>Jay M. Smith, University of North Carolina, Chapel Hill</i>	
5.3	The evolution of professional college sport in the United States	293
	<i>Allen Sack, University of New Haven</i>	
5.4	Inequality, discrimination and sexual violence in US collegiate sports	300
	<i>Erin Buzuvis, Western New England University, and Kristine Newhall, University of Massachusetts, Amherst</i>	
Part 6 The role of participants: within and beyond the sports family		307
6.1	The International Olympic Committee's actions to protect the integrity of sport	309
	<i>Pâquerette Girard Zappelli, International Olympic Committee</i>	
6.2	Combating the risk of corruption in sport: an intergovernmental perspective	313
	<i>Stanislas Frossard, Council of Europe, Enlarged Partial Agreement on Sport</i>	
6.3	UNESCO: building on global consensus to fight corruption in sport	318
	<i>Nada Al-Nashif, UNESCO</i>	
6.4	The role of Switzerland as host: moves to hold sports organisations more accountable, and wider implications	321
	<i>Lucien W. Valloni and Eric P. Neuenschwander, Froriep</i>	
6.5	Promoting integrity in sport: a sponsor's perspective	327
	<i>Jaimie Fuller, SKINS</i>	
6.6	A player's perspective on the need for reform to enhance transparency and integrity in sports	332
	<i>Louis Saha, Axis Stars</i>	
6.7	Organised athletes: a critical voice in sports governance	335
	<i>Brendan Schwab, UNI World Athletes</i>	
6.8	The role of supporters in effective governance	339
	<i>Ben Shave and Antonia Hagemann, Supporters Direct</i>	
6.9	Learning from others: the Kick It Out campaign	345
	<i>Richard Bates, Kick It Out</i>	
6.10	Big business blurs sports journalism's critical eye	347
	<i>Peter English, University of the Sunshine Coast</i>	

6.11 New ball game: covering sports, with teams as competitors	352
<i>John Affleck, John Curley Center for Sports Journalism</i>	
6.12 What the anti-corruption movement can bring to sport: the experience of Transparency International Germany	359
<i>Sylvia Schenk, Transparency International Germany</i>	
<i>Index</i>	363

Illustrations

Figures

1.1	Key decisions in the evolution of 'sports autonomy'	21
1.2	The need for governance	23
1.3	Subsidised football clubs in Hungary, 2011–2015	82
1.4	The church model of sport	89
2.1	Percentage of individual agents or agencies (entities) with clients in the 'Big Five' leagues according to the percentage of players represented	115
3.1	Sports-related cost overruns, 1998–2012 Olympics	135
3.2	Domestic inputs to major event bids	141
3.3	Event stakeholder power–risk irony	145
3.4	Concepts and levels of focus	148
3.5	Sporting mega-event impact sphere	149
3.6	South Africa 2010	155
3.7	Costs of the Olympic Games per capita and as a percentage of GDP, 2002–2014	185
3.8	The geography and funding of mega-events in Russia	194
3.9	Estádio Nacional de Brasília Mané Garrincha: Brasília's white elephant	205
3.10	Land value before and after construction of the New Condomina stadium, Murcia	225
4.1	Match-fixing: football versus basketball	251
4.2	All bets are off	258
5.1	Highest paid public employee = collegiate sports head coach	280
5.2	'Potemkin' courses for athletes	287
6.1	Support versus influence	341

Tables

1.1	Vote weighting in the Badminton World Federation	63–64
3.1	Scoring matrix for event classes according to size	133
3.2	Size classification of selected events	134
3.3	Public funds budgeted for the 2018 World Cup preparations	193

Boxes

1.1	The Sports Governance Observer	59
1.2	FIFA and the non-interference rule	69
1.3	France, Qatar and the purchase of Paris Saint-Germain	76
1.4	The 'Good Governance in Grassroots Sport' project	90
1.5	Examples of risks to grassroots good governance	91
1.6	Elements of the Code of Ethics for grassroots sport in the city of Milan	95

3.1	Mega-event impact assessment: Athens Olympics 2004	144
3.2	Mega-event impact assessment: London Olympics 2012	146
3.3	Projeto Jogos Limpos: the 'Clean Games' project in Brazil	214
4.1	Gambling risks within professional football	260
6.1	Match-fixing and the law in Switzerland	322
6.2	The changing face of club ownership	339

Preface

**Cobus de Swardt, Managing Director,
*Transparency International***

Sport gives people hope. It provides joy to billions of people across the world, from the favelas of Rio de Janeiro to the boroughs of London. As fans we have a love affair with our favourite game. When our teams win we are ecstatic; when they lose we are devastated. When results – of games, of contests to host events or of elections to run sports bodies – are determined not by fair competition but by corruption, however, we feel betrayed. Cleaning up sport is therefore essential, not only for the good of the game but for the good of society as a whole.

For more than 20 years Transparency International (TI) has led the fight against corruption, through more than 100 independent national chapters around the world, which take action to stop corruption and promote transparency, accountability and integrity at all levels and across all sectors of society.

The *Global Corruption Report* (GCR) is a strong foundation to support this fight. This 11th edition, for the first time complemented online through our new Corruption in Sport Initiative, provides an authoritative look at the state of corruption in a given sector through contributions from over 50 leading experts in the field. These are complemented by case studies from TI national chapters that show how TI is tackling the problem at the national and local levels. The aim is to provide clear recommendations for change.

Sport touches the lives of billions. No one wants to think that his or her favourite pastime is tainted. This became unavoidable for football fans in May 2015, however, with the indictment by the United States of nine current and former FIFA officials on charges of racketeering and money-laundering, confirming the worst suspicions of many. These crises at the heart of sport illustrate well-known issues: a culture of impunity at the top of sporting organisations that gives free rein to bribery and obscures financial black holes. Implementing necessary and long-lasting reforms will prove far more difficult.

Needless to say, corruption in sport is not limited to football, and the importance of fighting corruption is not limited to the effect on sport only. Sport is a symbol of fair play around the world, and often provides a release from daily hardships for many, whether it is taking part in or supporting a local team. If trust in sport is lost and people can no longer believe what they are seeing on the field of play or hearing from those in charge, then public trust in *any* institution may be irreparably undermined.

The issues addressed in the GCR can draw from the experience of TI and the anti-corruption movement in other sectors. There are so many people who want to have a say in sports – from the citizens in cities where big events are held to the parents of kids in grass-roots clubs – and it is imperative that this wider sports family is heard. It is for this reason that the current GCR focuses on participation as key to strengthening sport integrity.

We at Transparency International recognise that the fight against corruption in sport is not new, and we are indebted to those individuals who, long before it was on our agenda, dug deep at great personal risk to uncover the truth. Our goal is for the new GCR and the

Corruption in Sport Initiative to help to bring these voices together in one place. We also hope to continue to provide an open space for new analysis and recommendations.

Everyone has a stake in keeping sports clean. Our chapters around the world will continue to demand clean sports, but the voices of athletes, supporters, governments, sponsors, journalists and, primarily, those within sports organisations need to combine to send a strong message that integrity matters, for the good of the game and the good of the global fight against corruption.

Now is the time.

Foreword

***Raí Souza Vieira de Olivera, founder of
the Gol de Letra Foundation and captain
of the Brazilian 1994 World Cup winning team***

What would become of humanity if the act of simply playing the game to enjoy yourself did not exist? If playfulness did not exist? If competition did not exist? We would probably be identical, dispassionate beings, losing much of the grace, humour and beauty that we have been given.

Sport is nothing more than natural fun and healthy play packaged in rules to create just conditions among participants and contain the excesses that any impassioned activity or competition awakens. From this is born the expression 'the spirit of sport'. Health, fun, justice, passion – these are basic values for any child, any human being, any society: values transformed into rules, rights and laws.

For the development of sport, it was necessary to create organisations – associations, federations and confederations – to impose and administer these collective values. Hierarchies of power began to develop without guarantees of a democratic, participatory and transparent system. Sport is a large source of inspiration, but it is run with an absurd autonomy, without effective checks.

Sporting administrative bodies have evolved to take ownership of an enormous and notorious public interest, involving soul and passion. They even win freely the right to represent countries and nations. These organisations operate almost as independent states, however, without effective counterbalances and with vast possibilities to manoeuvre to remain in power. They claim legitimacy for their promotion, but demand complete autonomy in self-management, and even in self-punishment.

Corruption is for sport as doping is for competition, and for the health of the athlete. This framework has provided many reasons, motivations, contradictions and counter-intuitions, which build and today form one of the most enabling environments for acts of corruption to take place and proliferate, allowing the corrupt and greedy to gain an interest in sport, and impunity to take hold.

To rethink this, let us return to the basics: health, fun, justice and passion!

If we really want sport to be the basis for a better society, to be one of the pillars for human and social development, we need to rethink the rules of sports governance and their criteria of representation and accountability – and build something new, transparent and committed.

For this we need (in the same way that we created and systematically perfected sports themselves) to evolve in terms of governance, building a system in which fair play always prevails. We need to create a clean and healthy structure and new rules that guarantee complete transparency and democratic participation.

Transparency International's work on sport integrity – including the report before you – provides a good framework for reform. The responsibility now lies with the participants of sport, from the grass-roots to elite professionals, fans, sponsors, governments and, most of all, sport organisations themselves, to demand the changes that are clearly needed, for the good of sport and the good of humanity.

This page intentionally left blank

Acknowledgements

This *Global Corruption Report* on sport is a partnership and collaboration between Transparency International (TI) and its authors, whose expertise has provided us with the highest quality of content. We are very honoured to have worked with everyone involved and hope that these relationships may continue long beyond this report.

We are especially grateful for the guidance of a group of distinguished experts who kindly served on our Expert Advisory Panel and who were actively engaged throughout: Jens Andersen, Wolfgang Baumann, Pâquerette Girard Zappelli, Tony Higgins, Jacques Marnewicke, Richard Pound and Ben Shave.

We are also, as always, hugely indebted to the expert peer reviewers who devoted their energies to improve the content: Paul Anderson, Mark Baber, Robert Barrington, Amita Baviskar, Trish Bradbury, Gonzalo Bravo, Benjamin Bendrich, Scarlett Cornelissen, Pete Dawson, Juan de Dios Crespo, Peter Donnelly, Jocelyn East, Iain Edmondson, Esther Enkin, Neil Fergus, Leonardo Fernandes, Gyongyi Szabó Foldesi, John Foster, John Fourie, Jason Genovese, David Greenspan, Oleg Golubchikov, Sean Hamil, Barry Houlihan, Dionne Koller, Helen Lenskyj, Mike McNamee, Felix Majani, Jean-Paul Marthoz, Maira Martini, Luiz Martins de Melo, Laura Misener, Matthew Mitten, Severin Moritzer, Martin Müller, Bridget Niland, Walter Palmer, Katarina Pijetlovic, Denis Primakov, Stephen Pritchard, Dino Ruta, Chris Smith, Harry Arne Solberg, Ulrike Spitz, Joe Stead, John Sugden, Eleni Theodoraki, Ilija Trojanovic, George Turner, Pedro Velasquez, Geoff Walters, John Wilson and Serhat Yilmaz.

As the work of TI continues to expand, we are indebted to our national chapters, whose country case studies illustrate the approaches of the anti-corruption movement in tackling corruption in sport. In particular, we would like to extend our thanks to Sylvia Schenk and Ulrike Spitz for their valuable proposals during the initial scoping of our work. We are also thankful to colleagues at the Transparency International Secretariat who lent their perspectives and expertise. We are indebted to Deborah Unger, who is a real champion of our Secretariat work in sport and a pleasure to work alongside. We would also like to thank Marie Terracol for essential coordination work, Matthew Jenkins for initial mapping research, Eric Fichtl for online design and creation of the TI Corruption in Sport Initiative, Nicky Rehbock for online support, Thomas Coombes and Chris Sanders for communication, Kerstin Deinert and Michael Sidwell for print design, Rachel Beddow for libel coordination, and Bruno Brandao and Solange Falcetta for helping to arrange a number of outstanding contributors. As ever, the *Global Corruption Report* has been guided by Robin Hodess, and now also with the generous oversight of Casey Kelso. Finally, and especially, the team would like to thank our former associate editors Samira Lindner, for her enthusiasm, sharp intellect and unwavering commitment to the fight against corruption, and Kelly McCarthy, for her Herculean resolve and keen editorial eye in seeing the *Report* past the final post.

Further afield, copy-editor Mike Richardson once again excelled and kept us in check, and we are forever indebted. We were also delighted to work once more with Agur Paesüld, whose graphics continue to give life to dry text. And, to those for whom the details are never lost, we would like to thank our industrious fact-checkers: Oisín Bourke, Krista Brown,

Adam DeJulio, Natacha Draghi, Tyler Klink, Michelle McAlarnen, Holly Nazar, Sylvia Plaza and Philippa Williams.

We are very happy to continue our collaboration with Routledge, and in particular we extend our thanks to Helen Bell and Edward Gibbons for their continued support.

Finally, the *Global Corruption Report* team would like to acknowledge Liverpool FC, Kilkenny City AFC (defunct), Ipswich Town FC and the Republic of Ireland national football team for inspiring a love of sport and the desire to fight for its integrity.

Executive summary

Gareth Sweeney, *Transparency International*¹

Sport is a global phenomenon engaging billions of people and generating annual revenues of more than US\$145 billion.² While corruption in sport is not new,³ the recent pervasiveness of poor governance and corruption scandals threatens to undermine all the joy that sport brings and the good that it can do. For Transparency International (TI), the pace of building integrity in sport has been too slow, and now it must be rapidly accelerated.

The indictments on 27 May 2015 of nine current and former Fédération Internationale de Football Association (FIFA) officials on charges of racketeering and money-laundering⁴ changed the landscape overnight. Suddenly a system of 'rampant, systemic and deep-rooted corruption' was brought starkly into global focus. The re-election two days later of the FIFA president who had presided over this culture of impunity, and who was therefore either complicit or oblivious (and, either way, had failed in his duties), exposed to the watching world just how much football exists in a parallel universe of unaccountability. It is easy to understand why public trust in FIFA is at an all-time low, and is set to go even lower if promises for reform turn out to be business-as-usual.⁵

The context

Yet corruption in sport is not limited to football. Cricket, cycling, badminton, ice hockey, handball, athletics and other sports, including US collegiate sports, suffer similar credibility gaps. The reasons related to each are broadly similar.

Sport is a public interest, played and viewed by billions, whose tax dollars often fund the hosting of major sporting events. Sport is also organised on the historic principle of autonomy,⁶ however, and sports organisations – whether international organisations, regional confederations or national associations – are subsequently afforded 'non-profit' or 'non-governmental organisation' status in most jurisdictions. This allows them to operate without any effective external oversight (or interference, depending on perspective). The statutes of most sports associations therefore require that reforms are initiated and approved by the same individuals who will be most directly affected by them. It stands to reason, then, that the murkiest sports will be the most resistant to self-incrimination and change.

Even the corporate structures of sport are largely archaic. The administration of sport is often overseen by ex-athletes with little prior experience in management, operating through very linear hierarchical organisational models. While these models may have worked in the past, many international sports organisations (ISOs), regional confederations and national sports organisations (NSOs) have simply not kept pace with the huge commercial growth of the sector, and have even chosen not to adapt in order to protect certain self-interests, including high salaries, bonuses and virtually limitless tenures.

Finally, this insular environment is facilitated by the countries that host these organisations, such as Switzerland and the United Arab Emirates, which traditionally afford favourable legal status and generous tax breaks in order to attract and keep ISOs resident.⁷ Changes to

tighten legal accountability are under way,⁸ but these are usually tempered with caution since ISOs may simply relocate if the screws are tightened.

The solutions

When Sepp Blatter vowed to step down as FIFA president on 2 June, he declared: ‘While I have a mandate from the membership of FIFA, I do not feel that I have a mandate from the entire world of football – the fans, the players, the clubs, the people who live, breathe and love football . . .’ This short statement struck at the heart of the problem. Sports organisations, from ISOs to local community clubs, have a responsibility for their sport, and should be accountable to all those affected by their sport, from displaced communities to migrant construction workers, from grass-roots fans to World Cup winners.

The current outcry against corruption at FIFA shows that, once roused, the wider sporting community can become as interested in what goes on off the field of play as on it. Tackling the roots of corruption must come primarily from within the sports community, though, starting with an acknowledgement of the problem. There must be a sincere and verifiable commitment to realise sport’s principles on inclusiveness and fair play, ‘to comply with the highest standards in terms of transparency, democracy and accountability’.⁹

At the same time, internal reform must be open to external perspectives, including inputs from athletes and supporters, governments, sponsors and civil society. The ‘sports family’ needs to welcome those with know-how in anti-corruption activities, good governance, human rights, labour rights and development outside the world of sport as allies in the greater interest of sport. The *Global Corruption Report: Sport* therefore places particular focus on participation as a fundamental element of good governance in sport, and dedicates a full chapter to the voices of key participants and their respective roles.

The *Global Corruption Report: Sport* provides a comprehensive overview of the root causes of corruption across sport, presenting key participants’ perspectives side by side, as well as the work of TI national chapters on the ground. It focuses on current challenges in sports governance as the gateway through which all other forms of corruption in sport take hold, including, for example, the regulation of club ownership and the transfer markets (here the *Report* focuses on football). The *Report* gives special attention to the bidding, awarding and planning of major sporting events as a particularly vulnerable area for widespread corruption, as evidenced from the 1998 International Olympic Committee (IOC) Salt Lake City scandal¹⁰ to ongoing investigations. It then looks at global developments around the criminalisation and prevention of match-fixing, and what needs to be done. Space is also provided for a chapter on the unique corruption risks inherent in the structure of US collegiate sports, and its compromising influence on academic integrity. There are contradictory opinions within the *Report*, and much still to tackle, but the wealth of information illustrates how vibrant the field of sport and corruption has become in the past decade.

Drawing from this expert analysis of structural issues presented in the *Global Corruption Report: Sport*, Transparency International identifies the following key recommendations to restore public trust in sport.

Governance

Some reform recommendations in sport can be put in place very quickly, while others will require a more incremental consultative approach. A step-by-step reform process, suitable to the size and capacity of respective sports organisations, should incorporate many of the good governance principles that guide other sectors.

- Heads of ISOs should, as a rule, be elected by an open vote of members. National members/associations of ISOs should be accountable for their positions to their national constituencies.
- Executive decision-makers should be elected rather than appointed.
- There should be a clear separation between the administrative and commercial operations of all ISOs/NSOs.
- Decision-making bodies should contain at least one independent executive member.
- The gender balance of decision-making bodies should at least reflect the gender balance of participation in the respective sport as a whole.
- All ISO heads and decision-making body members should be bound by fixed terms, with mandatory gaps in service before being eligible for re-election.
- Integrity checks should be required for all senior ISO committee and secretariat staff, to be organised centrally and with independent external oversight. Due diligence criteria should include potential commercial conflicts of interest, as well as any ongoing investigations related to improper conduct. Integrity checks should be periodically reviewed.
- ISOs should put in place internal governance committees, presided over by an independent non-executive or lead director on governance issues, to provide ongoing external oversight of sport organisational decisions. Any review committees should have the mandate to review past as well as present activities.
- Sports organisations should establish independent ethics commissions/ethics advisers, with effective oversight and disciplinary authority related to codes of conduct and ethics guidelines.
- Specialised units should be created within ISOs to regularly monitor member associations and provide support in terms of governance and accountability.
- Structural reforms put in place in ISOs (elections, terms limits, integrity checks, codes of conduct, ethics and compliance structures and authority, financial transparency) should also be required to be applied uniformly to the structures of regional sports organisations as applicable as a prerequisite to membership of ISOs.
- The IOC, in consultation with all relevant stakeholders, should give serious consideration to the creation of an independent global anti-corruption agency for sport.

Transparency

- Sports organisations should establish cultures of transparency so that good work is not just done but is seen to be done. Access to information policies should be integrated and promoted.
- The publication of ISO finances – expenditures, revenues and disbursements – should be disaggregated and go far beyond minimum legal requirements in host countries so as to meet public expectations.
- Sports organisations should adhere to strict disclosure requirements, including financial reporting, and adequately communicate their activities to their internal stakeholders and the general public through accessible open data platforms.
- International and national sports organisations should publish the pay scales, as well as the salaries and costs, of senior executives/members of the executive committee, remuneration for board members, etc.
- The disbursement of funding to national member associations should be contingent on the receipt of annual financial accounts and activity reports, to be made available to the public via their national websites, and searchable on the websites of ISOs.

- ISOs should adopt the use of governance benchmarking tools such as the BIBGIS or the Sports Governance Observer to measure progress over time,¹¹ and should periodically publish the results and lessons learnt, to be included as a section in their annual reports.

Participation

The primary responsibility for reform lies with sports organisations, from ISOs to the grassroots bodies. This needs to be matched by sustained engagement with intergovernmental organisations, governments, athletes, sponsors, supporters and civil society.

- Any reform process to address systemic governance issues in sport should formally provide for inputs by relevant stakeholders, including athletes, supporters, governments, sponsors and human rights, labour and anti-corruption organisations. ISOs should commit themselves to honouring the recommendations of any reform process or providing formal responses for recommendations that are rejected.
- NSOs should support increased transparency and accountability, whether in speaking out for institutional reform or publicly supporting reformist platforms around elections.
- Sponsors should demand that whoever they sponsor should live up to the same anti-corruption and human rights standards that they are expected to adhere to in their own operations and in their own supply chains. As individual sponsors may fear a 'first-mover disadvantage', major sponsors should align to apply collective pressure for change. Sponsors should therefore consider the creation of a Sports Integrity Group that sets out their shared commitment to integrity in sport and allows major sponsors to advance a common position for integrity in sport.
- Sponsors should conduct due diligence on any organisation they sponsor – just as they do for their other business partners. They should also review their relationships with intermediaries and sports marketing companies to ensure that the companies meet their standards of integrity.
- Sponsors should ensure that their employees who work with ISOs, sports marketing companies and other intermediaries are properly trained on their code and integrity standards.
- Professional sport is nothing without supporters. Supporters' groups can play an even larger role than they do now, by mobilising a collective voice for key structural reforms in ISOs and NSOs and demanding a seat at the table.
- National and local governments should ensure adequate legislation to address match-fixing and organised crime in grassroots sports. In the case of US collegiate sports in particular, such legislation should protect the well-being of student athletes ahead of commercial interests. Governments should also provide whistleblower protection for those reporting malfeasance in sport, and effectively enforce access-to-information laws so as to facilitate and ensure the effective monitoring of the planning and hosting of sports events.
- Intergovernmental organisations should continue to facilitate the coordination and sharing of lessons learnt among national governments, and should develop indicators, benchmarks and self-assessment tools to help national governments identify policy gaps, needs, solutions and progress in promoting integrity in sport.

Major events

There are multiple entry points for corruption related to major sporting events. These include the selection process for bids and the related canvassing, the courting of international

delegates and the use of high-priced consultants for global bidding. There are also corruption risks during the awarding process and related bribery risks. Finally, the planning and hosting of events and the attendant large-scale procurement and construction risks put local organising committees under intense pressure to provide the required infrastructure and logistics on time. ISOs, as event owners, must ensure that the process is one of integrity, from the pre-bidding phase to the closing ceremony and far beyond.

- ISOs should require a national consultation process at the pre-bidding stage. A summary of national consultation outcomes should be publicly available, and must then be presented as part of the bid criteria.
- ISOs should establish clear, obligatory anti-corruption, labour rights, human rights and environmental and social sustainability criteria as objective admissibility safeguards for the first round of bidding. They should then be assessed by internal and external joint committees at this first round.
- Official bid documents must be publicly available and bidders must include a commitment to publish detailed policies and plans for all of the above.¹²
- Official bids should be required to provide a breakdown of anticipated expenditure by sport- and non-sport-related development, as well as by the cost carrier.
- ISOs should establish an internal compliance process from the opening of the bidding phase, covering ISO member and bid countries alike, to include, at a minimum, clear policies and reporting on ethics, conflicts of interest, a register of lobbyists, gift and travel registry and whistleblower protection. This should be publicly accessible through the continued rollouts of content on open data platforms.
- Major sporting events should, as a rule, be awarded through an open vote by ISO members.
- ISOs must formally recognise through the amendments of statutes that they bear a responsibility to protect human rights, labour rights, anti-corruption activities and sustainable development.
- Host contracts must include an agreement that a serious failure to uphold fundamental anti-corruption, human rights and labour standards, and the host country's own bid commitments, can result in loss of the major event.
- ISOs should require host countries to detail all major procurement processes, contracts and expenditures related to the bidding, planning and hosting of major events through an open data platform.
- ISOs should develop a clear set of assessment indicators, in consultation with external experts, to measure performance related to the above over time. External independent experts should also be part of the review process.
- ISOs should revisit tax arrangements for major sporting events and share surpluses so that host countries are not expected to host events at a net loss while ISOs extract the vast majority of revenues.
- Independent impact assessments should be carried out following events, covering all dimensions, namely the thematic (economic, social, environmental and political), the scale (local to global), the temporal (bid phase to legacy stage) and the actors (event owners, event producers, event consumers), addressing both positive and negative impacts. These can be earmark-funded by ISOs from event revenues.
- To ensure that promises on event legacies are kept, measurable legacy criteria must be a mandatory element of bids. These should include strengthening documentation of the factual evidence on the results of hosting such events, which should be made public and

maintained. Any failure to meet legacy criteria can then be weighed against admissibility for hosting future sporting events, and should be acknowledged across ISOs as required elements of subsequent bidding criteria.

Match-fixing

The manipulation of competitions is now fully acknowledged as a real threat to the integrity of sport. Any sport is vulnerable to manipulation by organised crime or for sporting reasons, such as promotion or relegation.

- States should ratify the Council of Europe's Convention on the Manipulation of Sport Competitions. It commits states to investigate and sanction all match-fixing, to have cross-border cooperation on cases and to ensure prevention, including the provision of comprehensive and continuous education on the issue.
- Sport organisations should establish whistleblower systems that are independent, confidential and secure, and follow Transparency International's international whistleblower guidelines.
- Governments should cooperate with NSOs to establish national focal points for sport integrity, including national ombudspersons for sport.
- ISOs should prohibit professional athletes from gambling on their own sport.
- National gambling regulations should oblige betting operators to report information on suspicious betting activity to the authorities or the relevant national platform and provide concrete guidelines as to what constitutes 'suspicious' activity.
- All people involved – athletes, coaches, referees, officials, parents – should know how to detect match-fixing before any manipulation takes place, through mandatory preventative training courses provided by national associations. Athletes and other concerned individuals must be fully informed about the rules and the consequences for violations.

Notes

- 1 Gareth Sweeney is chief editor of the *Global Corruption Report* at Transparency International.
- 2 PricewaterhouseCoopers, *Changing the Game: Outlook for the Global Sports Market to 2015* (London: PricewaterhouseCoopers LLP, 2011), www.pwc.com/gx/en/hospitality-leisure/changing-the-game-outlook-for-the-global-sports-market-to-2015.html.
- 3 The 1998 Salt Lake City scandal, for example, resulted in major reforms within the International Olympic Committee, while the work of investigative journalists continued to expose corruption in governance and match-fixing across sport.
- 4 United States District Court, Eastern District of New York, Indictment 15 CR 0252 (RJD) (RML), 20 May 2015, www.justice.gov/opa/file/450211/download.
- 5 According to a Transparency International/Football Addicts poll of 35,000 fans in 30 countries on 26 May 2015, 17 per cent of fans responded that they had no confidence in FIFA. See www.transparency.org/news/pressrelease/4_in_5_football_fans_say_blatter_should_not_stand_for_fifa_president_poll_o.
- 6 See Jean-Loup Chappelet, **Chapter 1.3** 'Autonomy and governance: necessary bedfellows in the fight against corruption in sport', in this report.
- 7 Michaël Mrkonjic, 'The Swiss regulatory framework and international sports organisations', in Jens Alm (ed.), *Action for Good Governance in International Sports Organisations: Final Report* (Copenhagen: Danish Institute for Sports Studies, 2013), www.playthegame.org/fileadmin/documents/Good_governance_reports/AGGIS-report_-_12The_Swiss_regulatory_

framework__p_128-132_.pdf; BBC (UK), 'Cricket chiefs move base to Dubai', 7 March 2005, <http://news.bbc.co.uk/sport2/hi/cricket/4326601.stm>.

- 8 See Lucien W. Valloni and Eric P. Neuenschwander, [Chapter 6.4](#) 'The role of Switzerland as host: moves to hold sports organisations more accountable, and wider implications', in this report.
- 9 Jacques Rogge (president of the IOC from 2001 to 2013), 'Good sport governance', speech given at 'The Rules of the Game: First International Governance in Sport Conference', Brussels, 26 February 2001.
- 10 Bill Mallon, 'The Olympic bribery scandal', *Journal of Olympic History*, vol. 8 (2000).
- 11 See Arnout Geeraert, 'Indicators and benchmarking tools for sports governance', in this report.
- 12 The United Nations Office on Drugs and Crime (UNODC) 'Strategy for safeguarding against corruption in major public events' offers a useful reference framework in relation to corruption. See UNODC, *The United Nations Convention against Corruption: A Strategy for Safeguarding against Corruption in Major Public Events* (Vienna: UNODC, 2013), www.unodc.org/documents/corruption/Publications/2013/13-84527_Ebook.pdf.

This page intentionally left blank

PART 1

Governance of sport: the global view

This page intentionally left blank

1.1

Sport as a force for good

Bob Munro¹

Sport has the power to change the world. It has the power to inspire. It has the power to unite people in a way that little else does. It speaks to youth in a language they understand. Sport can create hope where once there was only despair.

Nelson Mandela, Laureus World Sports Awards, Monaco, 2000

Since the eighth century BC, when the first Olympic Truce allowed athletes to travel safely to the Olympic Games, sport has been largely regarded as an inspirational force for good.² Sport has helped transcend often divisive geographic, political and cultural differences by bringing people and nations together to celebrate athletic achievements. Surprisingly, concerted efforts to expand sport as a force for good accelerated only in the last two decades. More surprisingly, the youth in Nairobi's Mathare Valley, one of Africa's largest and poorest slums, were pioneers in using sport for community development and peace. Although the initial examples in this chapter are from that project, today many different sports are now used as a force for good in tackling a remarkably wide range of serious health, social and environmental challenges – and even conflicts – around the world.

Learning life lessons and skills through sport

For me and many other boys growing up in the Canadian town of St. Catharines in the 1950s, school was what we did in between Saturdays. With our fathers as voluntary organisers and coaches, on Saturdays we put on our team uniforms and proudly bicycled through town to play with or against our friends in summer baseball and winter ice hockey leagues. On those eagerly awaited Saturdays, we won or lost the bragging rights for the next week.

Through sport, we learnt vital lessons and social skills, which helped us then and later in life. We learnt that achievement is our reward for self-discipline and constant training, for getting fit and staying healthy and, most importantly, for extra effort and teamwork. We learnt to cope with losing as well as winning, gaining new insights into our weaknesses from our losses and earning new self-confidence from our victories. We also learnt to respect the rules, the referees, our coaches, our team-mates and even our opponents. Our leagues were also a miniature United Nations (UN) in which multiculturalism thrived as many players were young refugees from faraway places such as Estonia, Hungary, Latvia, Slovakia and Ukraine. Once we put on our team uniforms, though, they ceased being foreigners and soon became our team-mates and friends.³

Without those many kind-hearted volunteers and the early life lessons and social skills I learnt while playing in their youth leagues, my character would have had much sharper

edges and my life been far less user-friendly. As they made sport such a force for good in my life, I owed them a debt of gratitude that I wanted to repay some day.

Combining sport with community service

Three decades later the Mathare Youth Sports Association (MYSA) became my payback. In August 1987 in the huge Mathare slums near the UN headquarters in Nairobi, I stopped at a little dirt field to watch some barefooted kids excitedly playing with their homemade *juala* football.⁴ Their joy triggered a flashback to my own youth and this thought: why shouldn't these kids also get a chance to play and learn useful life lessons in leagues with real footballs, coaches and referees?

A few days later I met with some young leaders in the slums to start organising a few youth leagues. I set only one non-negotiable condition: 'If you do something, I'll do something, but if you do nothing, I'll do nothing.' They agreed and the first MYSA leagues kicked off two weeks later with over 500 youth in 27 boys' football teams and six girls' netball teams.

The Mathare youth leaders and members adopted the same approach, which soon transformed MYSA from just a few youth leagues into a self-help community development project using sport as a starting point. For example, the huge piles of uncollected garbage were major causes of disease and deaths in the slums, so environmental clean-ups became an integral part of all MYSA leagues. While teams get three points for a victory, MYSA teams also earn six points for each completed clean-up project. Then, and still today, MYSA likely has the only sports leagues in the world where the standings include the points for games won or tied *plus* points for garbage clean-ups.

MYSA's community service activities expanded in response to many different needs and risks in the slums. In 1994, when Adrian, a shy and popular teenager on the Undugu⁵ street kids team, suddenly grew thin and died of an unusual and unfamiliar disease, MYSA started an HIV/AIDS awareness and prevention programme which is still in existence today. Training in AIDS prevention as well as child rights and protection against sexual abuse are embedded in all staff, coaching and other courses in the MYSA Sports and Leadership Training Academy.

By the mid-1990s MYSA's pioneering sport-for-development activities attracted a few brave partners,⁶ enabling MYSA to add innovative new programmes such as training youth in music, photography, dance and drama which focused on serious health and other risks in the slums; providing leadership awards to help the best young volunteers stay in school; feeding and freeing jailed kids; expanding activities for kids with disabilities; stopping child labour; and creating slum libraries and study halls for members and local school classes.⁷ Today in the Mathare slums, over 30,000 boys and girls⁸ participate annually in the MYSA self-help youth sports and community service programmes. In addition to helping themselves, the Mathare youth also help over 10,000 youth in similar projects in and outside Kenya, which receive technical and training support from MYSA.⁹

Linking sport for development with peace

The MYSA youth also became peacemakers outside and later in the Mathare slums. In 1999 inter-ethnic violence escalated among the over 70,000 refugees in the Kakuma Refugee Camp in north-west Kenya. As two-thirds of the refugees were youth, the UNHCR asked MYSA to start a similar self-help youth sport-for-development project in the camp. Within six months the inter-ethnic tensions and violence had dropped dramatically. Many youth were from South Sudan and, after the 2005 peace agreement, they returned to Rumbek, the then

administrative capital, where former child soldiers also demobilised. MYSA therefore helped start another project there, which continues today.

Sadly, in late 2006 inter-ethnic violence also flared up in the Mathare slums, with hundreds of innocent women and kids fleeing and camping on a field near a MYSA office. As the government and nearby UN agencies initially ignored their desperate situation, the Mathare youth took the funds intended for MYSA's 20th anniversary celebrations and instead used the money to rent tents and buy blankets, clothing, food and medicine for the displaced families. MYSA also organised peace-themed sports activities for the kids and, with later donations from MYSA friends in Norway and UN-Habitat, bought new uniforms and textbooks so the children could go back to school.¹⁰

During the devastating post-election violence in early 2008 the MYSA youth also organised special Football4Peace tournaments and activities throughout the slums.¹¹ Even the top clubs in the Kenyan Premier League (KPL), then chaired by Mathare United FC, got directly involved in helping mend the post-election rifts after the government and the Kenya Football Federation (KFF) had both declared that they lacked funds for the national team to join the 2010 Fédération Internationale de Football Association (FIFA) World Cup qualifying rounds. To help heal their divided country, the 16 KPL clubs urgently met in early May 2008 and agreed to fund the national team themselves.¹² Over the next six months national pride and unity rose, and Kenyans packed the stadium to cheer their national team as it climbed an astonishing 52 places in the FIFA world rankings.¹³ Even FIFA acknowledged that it was likely the first time in world football history that a national team had been funded entirely by the clubs.

Expanding sport-for-development initiatives worldwide

National governments and other international organisations had largely ignored sport as a serious development activity until the early 1990s, when MYSA's new approach to sport for development started attracting attention in the Kenyan¹⁴ and international media,¹⁵ and even an academic journal.¹⁶ The new approach and potential of sport for development gradually gained international recognition. For example, the 1991 Commonwealth Heads of Government meeting first recognised the unique role of sport in helping reduce poverty and promote development. In 1993 the UN General Assembly adopted Resolution 48/11 on 'Building a Peaceful and Better World through Sport'. Key milestones early in the new millennium included the appointment in 2001 of a new UN Special Adviser on Sport for Development and Peace and the creation in 2002 of the UN Inter-Agency Task Force on Sport for Development and Peace, which produced a trailblazing report on how sport can contribute to achieving many of the Millennium Development Goals.¹⁷

New international non-governmental organisations and networks also emerged for supporting and linking sport-for-development projects around the world. The process started in 2000 with the new Laureus World Sports Academy and Laureus Sport for Good Foundation, which adopted MYSA as its first flagship project.¹⁸ Committed to 'using the power of sport as a tool for social change', today Laureus has national foundations in eight countries on four continents, and, with additional support from Comic Relief, now assists over 150 sport-for-development projects in 35 countries.¹⁹

In 2004 the streetfootballworld network was inaugurated 'to change the world through football' by creating new partnerships for sharing knowledge and experience among the fast-growing number of football-for-development-and-peace projects around the world. Headquartered in Berlin, today streetfootballworld has regional offices in Brazil, South Africa and the United States, and helps link over 100 organisations and projects in 66 countries.²⁰

Other major global initiatives include Peace and Sport, founded in 2007 for ‘building sustainable peace through sport’, which focuses mainly on long-term peace-building programmes for reintegrating vulnerable children; peace-promotion programmes linked to major sports events; and emergency aid for humanitarian disasters through sports.²¹

A summary simply cannot do justice to the thousands of innovative sport-for-development projects not cited above that have also started, and achieved often remarkable results, during the last 15 years. Examples include the use of football by Spirit of Soccer to reduce deaths from landmines among children in Cambodia, Iraq, Jordan, Laos and Moldova;²² the use of basketball combined with peace-building and leadership training by PeacePlayers International for youth in divided communities in Cyprus, Israel and the West Bank, Northern Ireland and South Africa;²³ the use of various youth sports to reduce AIDS infections and teach life skills in the Kicking AIDS Out network of 22 organisations on four continents;²⁴ and the use of boxing and martial arts combined with education by the delightfully named Fight for Peace, initially in Rio de Janeiro but now with a network of projects helping over 250,000 street and slum kids in over 25 countries on four continents.²⁵

The local and global sport-for-development-and-peace projects and organisations are now so numerous and so successful that they even have their own highly competitive annual awards such as the Laureus Sport for Good Award, the Beyond Sport Summit Awards and the Peace and Sports Awards.²⁶

Creating new role models and leaders

Since the first Olympic Games, in 776 BC, sport has created many heroes – but too few role models. While MYSA teams won many tournaments from local to global levels,²⁷ MYSA’s greatest achievement by far has been the creation of new heroes *and* role models. With its motto of ‘Giving youth a sporting chance on *and* off the field’, MYSA provides youth with a chance to test and develop their social and leadership skills so they can better help themselves and others. MYSA also applies an 11-point Fairplay Code, subtitled ‘For those who want to be winners on *and* off the field’. Today the over 125,000 MYSA alumni include doctors, lawyers, marketing executives, bank managers, IT experts, teachers and many other high achievers, who have helped themselves and their families escape poverty.

A major reason for MYSA’s success is the fact that it is owned and run by the youth themselves. The more than 200 elected youth leaders, coaches and volunteers are on average only 16 years old, and half of the elected leaders are girls.²⁸ Although politicians like saying that the youth of today are the leaders of tomorrow, in the Mathare slums the youth have been the leaders of today for nearly three decades. More than ten former MYSA leaders have also been elected to municipal and county councils in the last two national elections.²⁹ It would not be surprising if a MYSA graduate even became the president of Kenya someday, and he or she then included sport for poverty reduction and peace among his or her top priorities.

Using sport to tackle corruption

Tackling corruption in sport can reinforce anti-corruption efforts in other sectors. For example, in early 2003 the newly elected Kenyan government inherited several complex mega-scandals that would inevitably involve lengthy investigations. So, as an initial signal of its sincerity, the government also targeted the notoriously mismanaged KFF.³⁰ In February 2003, the government disbanded the national U17 team for fielding over-age players, withdrew from the African youth tournament and launched investigations on corruption in the KFF.³¹ To the surprise of many sceptical Kenyans, in June 2003 several top KFF officials were arraigned in court on corruption charges.³²

Sport can also show the way forward in tackling corruption through stakeholder-led reforms.³³ For example, in 2003 the KFF rejected over 50 reform proposals submitted by its own clubs. Most top clubs then left the KFF and set up their own league and company – the Kenyan Premier League Limited (KPL) – plus a Transparency Cup with the theme ‘Kicking Corruption Out of Sport’. In mid-2004 FIFA persuaded the top clubs to rejoin the KFF but also supported continued club management of the KPL.³⁴ As a result, today the KPL is one of the most corruption-free, highly competitive and professionally managed leagues in Africa.³⁵

Protecting sport as a force for good

In parallel with the rapid growth of so many and different sport-for-good initiatives, over the last two decades some global sports bodies such as FIFA and the International Olympic Committee (IOC) have also emerged as major geopolitical actors in the international community. Their leaders are often better known than many heads of state and their decisions on sports rules, disputes and the hosting of major sports events now have significant political, social and economic ramifications within and among countries.

Their income has also grown dramatically. For example, FIFA's income of US\$2.1 billion in 2014³⁶ was equivalent to more than 75 per cent of the 2014 UN programme budget³⁷ and larger than the gross national income of over 25 countries.³⁸ FIFA also generated a ‘surplus’ of US\$2.6 billion from the 2014 World Cup,³⁹ which would place it among the top 100 most profitable Fortune 500 companies.⁴⁰

Despite their prominence on the world stage, global sports bodies remain largely a law unto themselves. While UN member states must respect many different *international* treaties, laws and judicial bodies, global sports bodies are bound only by their own internal statutes, the Court of Arbitration for Sport (CAS) and the *national* laws and courts of the countries where they are headquartered.⁴¹ Moreover, unlike the over 30 UN organisations headquartered in over 17 countries under standardised agreements with the host countries, there are no standardised host-country agreements on the rights *and* responsibilities of global and regional sports bodies. Sadly, that autonomy has been abused, as shown by the results of the new *Sport Governance Observer* study which reveals that international sports bodies often lack proper procedures and tools against corruption, undemocratic procedures and other critical poor governance traits.⁴²

The huge rise in revenues and lack of external as well as internal accountability pose a serious threat to sport as a force for good. In too many international sports bodies and their national associations, once elected the officials often handle the organisation as if it is their private property, treat the athletes and teams as if they are the enemy, marginalise them in decision-making bodies and then ignore or change the rules to perpetuate themselves in power.⁴³ As a result, while match-fixing still poses a serious threat, corruption in sport is more prevalent and destructive off the field than on it. For future reforms, a key challenge is to ensure that the teams, coaches and athletes who make the sport on the field have a much greater role in making decisions about their sport off the field.

Sport has a rare and universal power to transcend the many political, cultural, social and economic differences within and among countries on our still-divided planet. For example, for the first time in its 44-year history, the Norway Cup this year will feature a unique ‘Colourful Friendship’ team with half the players from Norway and half from the Mathare slums in Nairobi.⁴⁴ For decades environmentalists have urged the UN and other international agencies and governments to ‘think globally and act locally’. In sport, however, what is needed is for more international sports bodies to act globally, more like the way thousands of sport-for-development-and-peace organisations are already acting locally.

Today, thousands of local and global projects and organisations involve millions of young athletes carrying out sport-for-development-and-peace activities. Using many different sports, they tackle a wide range of health, social, environmental and other problems. Their achievements – and the dreams of millions of young athletes hoping to use their athletic talents to help themselves and their families escape poverty – will be overshadowed and compromised, however, unless the corruption in sport issues highlighted later in this report are also tackled.

Corrupt sports officials are not just stealing money. They are also stealing the future of our youth, the future of our athletes and the future of our sports. This is why no one should stand on the sidelines or remain seated in the stands during the continuing struggle for corruption-free sport and for sport as a force for good.

Notes

- 1 Bob Munro is the Managing Director of XXCEL Africa Ltd. Since 1985 he has lived and worked in Africa as a senior policy adviser on sustainable development for African governments and the United Nations. He is also the founder/chairman of the Mathare Youth Sports Association (1987), the founder/chairman of Mathare United FC (1994) and a founding director of the Kenyan Premier League Ltd (2003).
- 2 See Olympic Movement, 'Olympic Truce', www.olympic.org/content/the-ioc/commissions/public-affairs-and-social-development-through-sport/olympic-truce.
- 3 Multiculturalism also prevails in many 'national' teams today, especially in Europe. For example, the 2010 FIFA World Cup team from Germany had players with roots in nine different countries on three continents: Brazil, Bosnia-Herzegovina, Ghana, Nigeria, Poland, Spain, Tunisia and Turkey, as well as Germany.
- 4 The *juala* balls are made by the children using waste plastic bags tied with old string. In 2010 a made-in-Mathare *juala* ball sold at a charity auction in Dubai for US\$205,000; it is probably the world's most expensive football. The purchaser then donated it to the IOC, and it is now on display in the Olympic Museum in Lausanne, Switzerland.
- 5 Father Arnold Grol, the Undugu Society founder, dedicated his life to helping streetkids, and first took me to the Mathare slums during one of my many UN missions to Kenya in the early 1980s.
- 6 The Mathare Youth Sports Association's first major partners were the Norwegian Ministry of Environment, Norad and the Strømme Foundation. A few years later the new Laureus Sport for Good Foundation and then Comic Relief also became key partners. During the last two decades over 30 bilateral and international organisations and companies partnered with MYSA, as well as several Kenyan agencies and companies such as K.D. Wire.
- 7 For more information, see www.mysakenya.org and www.facebook.com/MathareYouthSportsAssociation.
- 8 In 2015 MYSA has 26,420 players in 1,811 teams, including 6,000 girls in 398 teams, playing in over 120 leagues in 16 MYSA zones. In addition, more than 5,000 youths participate in the MYSA community service programmes.
- 9 MYSA leaders and trainers have provided technical advice and assistance to projects in Botswana, India, Mozambique, Senegal, South Africa, South Sudan, Tanzania, Uganda, Vietnam and Zambia.
- 10 See Bob Munro, 'Sport for peace and reconciliation: young peacemakers in the Kakuma Refugee Camp and Mathare slums in Kenya', paper presented at the 6th Play the Game World Communication Conference on Sport and Society, Coventry, UK, 11 June 2009, www.playthegame.org/uploads/media/Bob_Munro-Sport_for_peace_and_reconciliation.pdf.
- 11 To help reduce pre-election tensions, the MYSA Football4Peace tournaments had special rules. For example, all the teams had to include at least five girls and only the girls were allowed to score.

- 12 I chaired this meeting, which became one of my proudest moments in sport. After only ten minutes all the top clubs unanimously agreed to use their limited funds to pay for the Kenyan national team.
- 13 In May 2008, when KPL started funding and helping the national team, Kenya was 120th in the FIFA world rankings. By the end of 2008, Kenya was ranked 68th in the world. On that 2008 national team, which achieved the best results in Kenyan football history, over half the players and both the head coach and team manager were from MYSA and Mathare United FC.
- 14 See, for example, *Standard* (Kenya), 'Youth clean up Mathare', 23 April 1989; Inter Press Service, 'Football sets development rolling in slums', 29 November 1989.
- 15 See, for example, *New York Times* (US), 'In Nairobi slums, soccer gives poor youths hope', 14 October 1991, www.nytimes.com/1991/10/14/world/nairobi-journal-in-nairobi-slums-soccer-gives-poor-youths-hope.html; *Christian Science Monitor* (US), 'Soccer playing youths clean up: Nairobi program combines sports and community service', 31 August 1992; *Reader's Digest* (US), 'Miracle in the Mathare slums', April 1994.
- 16 Bob Munro, 'Children and the environment: a new approach to youth activities and environmental cleanup in Kenya', *Journal of Environment and Urbanization*, vol. 4 (1992).
- 17 See United Nations, *Sport for Development and Peace: Towards Achieving the Millennium Development Goals* (New York: UN, 2003).
- 18 In 2004 MYSA also won the Laureus Sport for Good Award at the World Sports Academy Awards in Lisbon.
- 19 The eight Laureus national foundations are in Argentina, Germany, Italy, the Netherlands, South Africa, Spain, Switzerland and the United States. For more information on Laureus, see www.laureus.com/home.
- 20 For more information on streetfootballworld, see www.streetfootballworld.org.
- 21 For more information on Peace and Sport, see www.peace-sport.org.
- 22 For more information on Spirit of Soccer, see www.spiritofsoccer.org.
- 23 For more information on PeacePlayers International, see www.peaceplayersintl.org.
- 24 For more information on the Kicking AIDS Out network and projects, see www.kickingaidout.net.
- 25 For more information on Fight for Peace, see www.fightforpeace.net. To fully understand and also stay updated on the special and still growing power of sport as a force for good worldwide, go to the international platform on sport and development (www.sportanddev.org), built and hosted since 2003 by the Swiss Academy for Development. It includes a comprehensive history and links to many good local and global sport and development projects, as well as a series of excellent project case studies on key issues such as sport and disability, disaster response, education, gender, health and peace building. Moreover, for those tempted to start a project in their own community or country, it also includes a detailed toolkit with practical advice on implementation, along with references to other helpful and reliable manuals.
- 26 In addition to the annual Laureus Sport for Good Awards, at the Beyond Sport Summit annual awards are given in a wide range of categories, including sport for education, for environment, for health, for social inclusion, for conflict resolution and for overall leadership in sport, and include organisations in 145 countries from 37 different sports. See www.beyondsport.org. The Peace and Sport Awards have eight distinct categories – see www.peace-sport.org/en/forum/awards/presentation/les-categories.html.
- 27 For example, MYSA is second to a club from Brazil for the most gold medals won at the world's oldest and largest international youth tournament, the Norway Cup. MYSA teams also won the first two FIFA Football for Hope tournaments, held during the 2006 and 2010 World Cups.
- 28 Mathare Youth Sports Association internal governance statistics – see www.mysakenya.org/resources.html. In 2009 FIFA acknowledged that the youngest elected football official in

- the world was probably the 11-year-old MYSA girl Charity Muthoni, the elected chairman in Kayole, one of MYSA's largest zones with over 2,000 players. See FIFA.com, 'Charity elected as youngest MYSA chairman', 4 November 2009, www.fifa.com/sustainability/news/y=2009/m=11/news=charity-elected-youngest-mysa-chairman-1128176.html.
- 29 In the 2007 national elections, 25-year-old Joel Achola, a leader in the MYSA 'Jailed Kids' project, became the youngest elected councillor in Kenya. See *Sunday Nation* (Kenya), 'Age has nothing to do with it', 27 January 2008.
- 30 See, for example, *The People* (Kenya), 'KFF lands in serious trouble as government disbands U17 team', 15 February 2003; *Daily Nation* (Kenya), 'Prosecute soccer crooks', editorial, 17 February 2003.
- 31 Ibid. This may be another Kenyan first in world sport, as friends in FIFA could not recall any government ever voluntarily withdrawing its national team from an international tournament because of age cheating.
- 32 See *Kenya Times*, 'KFF officials appear in court to face corruption charges', 7 June 2004.
- 33 See Bob Munro, 'From grassroots to gold medals: are stakeholder-led reforms and ownership a way forward for African football?', paper presented at the 1st African Football Executive Summit, Accra, Ghana, 27 May 2011.
- 34 This may be the first time FIFA ever supported clubs over their national association member. Had it not been for FIFA, and especially its then deputy general secretary, Jérôme Champagne, the KPL would not have survived the attacks by an unholy alliance of corrupt football officials and politicians.
- 35 *Guardian* (UK), 'Kenya leads the way in ending blight of corruption in African football', 11 July 2010, www.theguardian.com/football/2010/jul/11/kenyan-premier-league.
- 36 For access to all of FIFA's Financial Reports, see www.fifa.com/about-fifa/official-documents/governance/index.html#financialReports. See FIFA: *Financial Report 2014* (Zurich: FIFA, 2015), p. 142.
- 37 The 2014 UN programme budget was US\$2.7 billion; United Nations, *Proposed Programme Budget for the Biennium 2014–15: Foreword and Introduction* (New York: UN, 2013).
- 38 See World Bank, *World Development Report 2014: Risk and Opportunity – Managing Risk for Development* (Washington, DC: World Bank, 2013), pp. 296–298.
- 39 See FIFA (2015), p. 36.
- 40 See 2015 List of Fortune 500 Companies: <http://fortune.com/fortune500>.
- 41 Many global sports bodies are headquartered in Switzerland, including seven of the ten largest for football (FIFA, UEFA), volleyball (FIVB), basketball (FIBA), hockey (FIH), handball (IHF) and the Olympics (IOC). Those for cricket (ICC), rugby (IRB) and athletics (IAAF) are headquartered in Dubai, Ireland and Monaco, respectively.
- 42 Developed by Play the Game/Danish Institute for Sports Studies and the University of Leuven in cooperation with other partners, the Sports Governance Observer is a new benchmarking tool for assessing how well sports organisations perform on the basis on 38 key governance indicators. See Play the Game (Denmark), 'Most sports federations fail to meet basic principles of good governance', 10 July 2015, www.playthegame.org/news/news-articles/2015/0056_most-sports-federations-fail-to-meet-basic-principles-of-good-governance and Arnout Geeraert, Chapter 1.8 'Indicators and benchmarking tools for sports governance', in this report.
- 43 For example, in 2012 the Congress of the Confederation of African Football (CAF) blatantly changed the rules so that only elected members of the CAF Executive Committee could run for the CAF presidency. At a subsequent congress, the 70-year age limit for members of the CAF Executive Committee was also lifted, primarily so that the ageing incumbent, already in power for 27 years, could run yet again in the next CAF elections. See Inside World Football (UK), 'African rule changes ensure there will be no change', 15 April 2015, www.insideworldfootball.com/osasu-obayiuwana/16821-osasu-obayiuwana-african-rule-changes-ensure-there-will-be-none.

- 44 With over 30,000 boys and girls playing on over 1,500 football teams from 50 countries during the last week of July every year, the Norway Cup is one of the world's best examples of the truly 'beautiful game' and 'Colourful Friendship' through sport. Before the 2015 Norway Cup, the under-16 Norwegian and Mathare players on their combined Colourful Friendship team spent a week training together at the MYSA Football for Hope Centre in Nairobi and another week living and training together in Norway. The Colourful Friendship team's sponsors and partners include the Norwegian Football Coaches Association (NFT), Norwegian SANA Foundation, Norwegian Football Federation (NFF), Norway Cup and MYSA's Friends in Norway (MViN).

1.2

Fair play

Ideals and realities

Richard H. McLaren¹

Introduction

Pierre de Coubertin, often heralded as the father of modern Olympism, viewed the concept of fair play as vital to the Olympic spirit.² Coubertin was responsible for the initiative that established the International Olympic Committee (IOC), whose Olympic Charter holds that ‘the practice of sport is a human right’, and describes the Olympic spirit as one of ‘friendship, solidarity and fair play’.³ Fair play is more than a philosophical ideal that athletes subscribe to; it is a mode of social organisation that demands dedication. It requires adherence to written rules, respect for unwritten rules and respect for fellow players, referees, opponents and fans. Fair play requires valuing friendly rivalries, team spirit, fair competition, equality, integrity, solidarity, tolerance, care, excellence and joy for sport. The ideals of fair play begin at the grass roots and extend through to Olympic and professional athletes. More importantly, in the modern world, sport stands apart from other, scripted, forms of entertainment that have predetermined outcomes.

Fair play is integral to the continued success of sport, and yet is everywhere under attack. Acts of corruption undermine the ideal of fair play by taking control of and manipulating the variables that define sport and the Olympic ideal in order to benefit specific individuals or groups. In doing so, sport is deprived of its most fundamental feature: the uncertainty of outcome.

Corrupt governance and match-fixing damage public perceptions of the integrity of sport as an arena for competition, from grassroots competitions to international mega-events. This is alarming, particularly because international sporting institutions increasingly face allegations of corruption. The Fédération Internationale de Football Association (FIFA) and the International Association of Athletics Federations (IAAF) have been embroiled in controversy because of alleged kickbacks to selection committees during bidding processes and bribery in governance elections.⁴ The May 2015 arrest of nine FIFA officials and five affiliated corporate executives for ‘racketeering, wire fraud and money laundering conspiracies’⁵ demonstrated the capacity and willingness of the US government to fight corruption on an international scale. Subsequently, Australia, Colombia, Costa Rica and Switzerland each launched independent investigations targeting alleged bribery, money-laundering and bidding process irregularities. Qatar’s successful bid to host the 2022 men’s football World Cup has been met with sustained criticism and allegations of bribery. Moreover, the human rights abuses of migrant workers who labour on stadium and facility construction under the ‘kafala’

system in Qatar have created international pressure on the country to abolish the system, but to date the government has not done so.⁶ Although corporate sponsors have expressed concern about these conditions, so far no 2022 World Cup sponsors have withdrawn financial support as a result of the bribery allegations or working conditions. As participants, these companies have the capacity to effect change.

In North America, the National Collegiate Athletic Association (NCAA) faces a continuing backlash over its corporate sponsorship practices, which yield hundreds of millions of dollars per year in profit by exploiting athletes who, in return, receive little more than the dim and fragile hope of a professional career following their collegiate experience.⁷ These collegiate experiences may compromise education in favour of training elite ‘amateur’ athletes who produce success and profit for teams and schools.

Media coverage⁸ of poor governance or athletes transgressing the ideals of fair play gives the public a cause for concern as to the validity of competition, fair play and enforcement. Proving that officials accepted kickbacks, athletes used banned substances or matches were fixed can have a dramatic effect on the public’s opinion of sport. Such findings call into question every aspect of the sporting relationship, from the highest levels of governing organisations all the way to individual athletes.

The discovery and prosecution of corrupt practices create the same perception problem, leaving the public to wonder how long such practices went undetected and what historic moments in sport may have been compromised by corruption on and off the field. Corrupt practices are therefore parasitic, because they undermine and destroy the ideals of fair play, which are integral to the continued success and growth of sport. The endemic corruption across sporting bodies undermines the ideals of fair play, and yet international sport remains a multi-billion-dollar industry.

Ideals

International sporting organisations (ISOs) make it their objective to promote fair play and meaningful competition for all participants involved in their respective sports. Promoting fair play involves clear statements on ethical values,⁹ the development of anti-doping programmes¹⁰ and the promotion of participation in sport. As this *Global Corruption Report* shows, however, the realities are often very different from the ideals.¹¹

Enforcement is often controversial and litigious, even where it is limited in scope. The World Anti-Doping Agency (WADA) is one of the best-known proactive institutions, but its mandate is limited to combating doping in sport; WADA does not address corruption in other forms. WADA’s director-general, David Howman, has suggested that it is time to create a sport integrity agency to address corruption beyond WADA’s current scope, including gambling, match-fixing and bribery.¹² These acts of corruption engage the interests and stakes of all parties: athletes; fans; coaches; sport organisations; stakeholders; corporate sponsors; and, when public actors are involved, national governments. The FBI’s FIFA investigation marks a turn in enforcement methods: charges were laid under the United States’ ‘RICO’ statute,¹³ a law typically used to prosecute organised crime.

The spectre of corruption haunts notions of fair play in sport and undermines the ideals of modern Olympism. A sport integrity agency, similar in structure to WADA, could enlist and leverage the combined efforts of government and sport organisations in order to proactively target corruption. Existing institutions, such as WADA and the newly developed Voluntary Anti-Doping Association (VADA),¹⁴ offer frameworks for a broader regulatory and administrative solution that places positive obligations on those involved in corrupt practices. While aspects