

Football: A Call for Transparency to Curb Corruption

De Sanctis FM*

Federal Appellate Court, Sao Paulo, Brazil

Abstract

Football, which has experienced an astounding transformation to a global industry with significant economic impact, has been a vehicle for the transmission of cultural and universal values. Its structural complexity (players, transfer agents, clubs and its owners, right holders of different contracts) creates a lot of moving parts that can easily hide illicit activity, especially because this structure incorporates the international market. The movement of large amounts of money, the difficulty in accounting for all transactions, and ironically, the clubs' own financial needs increase this sector's vulnerability to organized crime, in order to curb corruption and money laundering through them. The article argues for careful situation involving Football, identifying the risks of misconduct within sport organizations, and proposing measures that could prevent hamper and punish any attempts to thwart these organizations' main goal: promoting sport as a way for cultural improvement and teaching people the values of tolerance and civilized coexistence.

Keywords: Football; Organized crime; FIFA; Transparency; Vulnerability

Introduction

Corruption is usually thought of as an institutional illness that affects only national Public Administrations in a direct way, while individuals and private organizations under the influence of such administrations are only indirectly affected. However, that is not the case. Private institutions can also be, at the same time, tools and victims of misconduct carried out by ill-intended members within its organization, inasmuch as appropriate measures are not taken to place safeguards against internal wrongdoings. In fact, wherever there is an institution where power and money are dealt with, there will also be a risk for the commitment of crimes by its members. That is true even when the primary subject of such organizations is recreational, like sports.

We were recently reminded of these harsh truths in the first semester of 2015, when an operation conducted by the FBI and Swiss law-enforcement authorities arrested high-level FIFA officials in an attempt to dismantle what they believed to be an environment where corruption and unethical behavior were rampant. After years of investigations led by U.S. authorities¹ [1], on May 27, 2015, the US Department of Justice unsealed an indictment charging 14 people related to FIFA on racketeering, wire fraud, money laundering, conspiracy, and many other offenses. This indictment included sports-marketing executives and football officials from both North and South America, who allegedly paid and received, from 1991 until the beginning of 2015, more than \$ 150 million in bribery in order to obtain major deals regarding many football tournaments². Most of the major charges that were brought against these executives and officials regarded decision processes that established which companies would be awarded with multimillionaire contracts with FIFA, which countries would win the right to host the World Cups, and even who would be elected president of FIFA's executive committee.

¹Apuzzo, M.; Clifford, S., *After Indicting 14 Soccer Officials, U.S. Vows to End Graft in FIFA*, nytimes.com, May 27, 2015, available at http://www.nytimes.com/2015/05/28/sports/soccer/fifa-officials-arrested-on-corruption-charges-blatter-isnt-among-them.html?_r=0, accessed on April 02, 2016.

²Tournaments mentioned by the indictment include: FIFA World Cup qualifiers in CONCACAF, CONCACAF Gold Cup, CONCACAF Champions League, CONMEBOL/CONCACAF Copa AméricaCentenario, CONMEBOL Copa América, CONMEBOL Copa Libertadores, and CBF Copa do Brasil.

These outrageous (if confirmed) - yet, not totally unexpected - revelations have shifted the attention of the public. The population's dissatisfaction with corruption now also encompasses a worry with global and international sport institutions. After all, common citizens are left wondering: if even our recreational activities are pervaded by vicious intents and conducted by people with bad intentions, then what else is left them to believe in? Thus, the credibility of the sport - and even the love for the game - is compromised, for, if the process for choosing the venue for a major event cannot be trusted, then it is inevitable that even the results of matches are put into question.

Furthermore, football is not only just a game loved by people all over the world. It is also a form of business - and a very profitable one. Millions of people around the globe play and enjoy football, granting great opportunities for many sectors of the economy to participate in this growing market niche. From sport equipment manufacturers, to real state contractors that build stadiums and arenas, there are many areas where football can influence economic activity, making it a factor that should not be neglected.

In view of these considerations, it becomes clear that governments, policy-makers, law enforcement authorities and the population in general should be worried about the possibility of malpractices within the context of this sport, given its social significance and its economic potential. The current paper intends to address these matters by identifying the risks of misconduct within football organizations, especially FIFA, and proposing measures that could prevent, hamper and punish any attempts to thwart these organizations' main goal: promoting the sport as a way for personal improvement and teaching people the values of tolerance and civilized coexistence.³

³Article also based on the author's book *Football, Gambling, and Money Laundering. A Global Criminal Justice Perspective*. Cham, Heidelberg, New York, Dordrecht, London: Springer, 2014.

*Corresponding author: De Sanctis FM, Federal Appellate Court, Sao Paulo, Brazil, Tel: 55-61-3217-3000; E-mail: famas6@gmail.com

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The Social and Economic Importance of Football

Football has experienced an astounding transformation from a popular sport to a global industry with significant economic impact and, as such, has become a vehicle for the transmission of cultural and universal values. The football industry consists of a network of mediators, managers, and players. Several actors in the football industry affect the sector financially: clubs, players (the most valuable assets to the clubs), sponsors, individual investors (patrons and club owners), football agents, and stadium owners. This structural diversity creates a lot of moving parts that can be easily allocated to hide illicit activity, especially because this structure is incorporated in the international market. The movement of large amounts of money, the difficulty in accounting for all these transactions, and ironically, the clubs' own financial needs increase this sector's vulnerability to crime.

The extraordinary growth of football began in the early 1990s as a result of increased television rights and sponsorship [2].⁴ The market for professional players has experienced unprecedented internationalization, which has led to more transfers of resources by transcontinental dimensions.⁵ This sharp increase in economic and international development makes football more susceptible to organized crime. Such susceptibility cannot be ignored by state controls based on social, educational, and cultural good practices.

The distribution of football has led to a hugely disproportionate drain on resources. According to Natalie L. Clarke St. Cyr, "the top 20 clubs alone generated around \$6 billion in the 2009–2010 seasons [3].⁶ Despite increasingly high volumes of revenue, European football clubs are finding themselves saddled with large amounts of debt."⁷ Football revenues come from ticket sales, television rights, sponsorships, and other commercial activities. The majority of this revenue is used to pay the players' salaries and cover the costs of their transfers [4].⁸

As one of the world's most well-liked and celebrated sports, football is the subject of much attention and involves many foreign authorities. It is practiced by more than 265 million people in the world [5].⁹ According to FIFA, there are 38 million registered players and approximately 301,000 clubs.¹⁰

Another important vulnerability that should be noted is the one regarding the athletes involved. Players and their families, many of who come from circumstances of poverty, think of football as a solution to their problems. This perception of the sport makes them reluctant to acknowledge the existence of corruption within the sector

⁴Financial Action Task Force [FATF] Report, *Money Laundering Through the Football Sector*, page. 28 (July 2009), <http://www.fatf-gafi.org/mwg-internal/de5fs23hu73ds/progress?id=Br4aRjC0bG6-JOrVGTkdU99Cb6MYjA9h2VPnhTPT7s>, accessed on April 15, 2016.

⁵See *id.* pages. 66-67.

⁶Natalie L. St. Cyr Clarke, Student Note, *In the Beauty and the Beast: Taming the Ugly Side of the People's Game*, 17 COLUM. J. EUR. L. 601, 602 (2010-2011) (citing DELOITTE, *THE UNTOUCHABLES: FOOTBALL MONEY LEAGUE 2* (Dan Jones ed., 14th ed. 2011), accessed on April 25, 2016).

⁷*Id.*

⁸Bruno Doro, *Dividabillionária amplia caos financeiro do futebol brasileiro e faz grandessentiremeifeitos [Billion Dollar Debt Increases Financial Chaos of Brazilian Football and Makes the Great Clubs Feel the Effects]*, UOL ESPORTE (July 02, 2013) (Braz.), <http://esporte.uol.com.br/futebol/ultimas-noticias/2013/02/07/com-divida-monstro-situacao-financieira-do-futebol-brasileiro-e-precaria-e-grandes-ja-sentem-efeitos.htm> (the revenue is also used to pay bank debts).

⁹Matthias Kunz, *265 Million Playing Football*, FIFA MAG., July 2007, at 10 www.fifa.com/mm/.../emaga_9384_10704.pdf, accessed on April 25, 2016.

¹⁰*Id.* at 14.

or to respond to criminal acts that occur in this context. Many who call themselves "entrepreneurs" take advantage of this perception by defrauding poor families. There are reports of people pretending to be experienced European club entrepreneurs who promise wages for children whom they have never even seen playing football. In exchange, they charge the families 10,000 Euros per child. The families, duped by false documents that seem to authenticate the legitimacy of these entrepreneurs, even sell their homes to pay for the required fees of these phony businesspeople. Thus, these schemers cause the families to lose everything they own in the hopes of seeing their child becoming an international player; a hope that most likely will never be realized [6].¹¹

It is estimated that approximately 20,000 boys live on the streets in different parts of Europe as a result of these scams. The vast majority of these young players have been deceived by these so-called businesspeople who brag about their personal influence in European football and promise a brilliant future. Often, these boys do not even reach Europe and are rescued in small boats from where they were exposed to a high risk of harm or even death. Even those who manage to reach the European continent usually end up discovering that there is no way to contact the clubs because, in fact, they do not have any interest in them. This leads to an increase in the number of illiterate, abandoned children, left with no shelter, no visa, no identification card, and no money. In addition, these children typically cannot even speak the language of the country where they are stranded [7].¹²

But for those players who are legitimately called to participate in clubs, the irony of the situation is how often the "dream" of football turns into a nightmare for them. Many will work for three or four months and receive insufficient wages [8].¹³ Uncertain about their future, players will travel thousands of miles using precarious transportation and sleeping in cramped quarters with dozens of men.¹⁴ Intending to provide for their families, many are often forced to leave their loved ones, including their spouses and children, in order to follow this "dream."¹⁵

There are several cases involving boys between the ages of thirteen and fifteen from different regions of Brazil, where players lived in abandoned buildings in the city of Bangu, west of Rio de Janeiro. The buildings often had an insufficient number of beds, the food was spoiled, and the young players were exposed to mold, leaks, and fly larvae.¹⁶

Players under these circumstances are often forced to remain in such horrible situations because they unknowingly signed six-month

¹¹*Europe is Draining Africa of Football Talent*, AMATEURSPORT (May 19, 2010, 11:48PM), <http://amateursport.wordpress.com/2010/00/19/europe-is-draining-africa-of-football-talent>.

¹²See Lars BackeMadson & Jens M Johansson, *Den forsvunmediament: historienomfotballensmorke side [The Lost Diamond]* (2008) (Neth.), for more research on the international trafficking of football players.

¹³Paulo Cobos, *No país da bola, futebol se torna um subemprego [In the Country of the Ball, Football Becomes an Underemployment]*, FOLHA DE S. PAULO (Mar. 14, 2010) (Braz.), <http://www1.folha.uol.com.br/fsp/esporte/fk1403201002.htm>, accessed on April 25, 2016.

¹⁴Paulo Cobos, *Em Rondônia, concentração dura até a bola parar [In Rondônia, Concentration Lasts Until the Ball Stops]*, FOLHA DE S. PAULO (Mar. 14, 2010) (Braz.), <http://www1.folha.uol.com.br/fsp/esporte/fk1403201003.htm> [hereinafter *In Rondônia*], accessed on April 25, 2016.

¹⁵*Id.*

¹⁶*Cf. id.* (describing deplorable conditions in the city of Porto Velho).

contracts.¹⁷ These short-term contracts, combined with the lack of proper wages, prevent players from visiting their relatives, spouses, or children, many of whom are several miles away. The difficulty in accessing Internet creates another barrier between the players and their loved ones, accentuating the distance that separates them.¹⁸ Football agents and clubs use these adherence contracts as a cruel marketing tactic, aimed at recruiting athletes from several places, housing them in substandard conditions, and then abruptly dismissing them when their tournaments end.

Despite the meager pay and dangerous conditions that players must often withstand, many athletes and would-be players still support the football industry. The desire to fulfill their dreams of winning games and making it big overcomes any fear they may feel as they wait for a position within a club [9].¹⁹ Ironically, in Brazil, ninety percent of jobs in football do not even recruit players based on their performance in the clubs. Instead, they recruit based on whether the player has a special connection with a particular coach.

In spite of all of its problems, the social and economic importance of football around the world is an undeniable fact. From club owners that manage billions of dollars invested in their teams, to poor families that put their hopes of a better life and a brighter future in their children's dreams of becoming international football players, most of the layers in our society are directly or indirectly affected by the development of football. Because so much relies on the fate of the game and its organizations, it is imperative for governments to keep a close look in all the aspects that involve football, including – but, of course, not limited to – its financial issues.

It is precisely this later element of the world of football – i. e., its finances – that the current paper shall take into further considerations. By improving knowledge about the financial structures of football, its vulnerabilities and the areas in which they may be improved, there is a great chance that solutions may be found for current problems like corruption and money laundering that are, apparently, taking place in many of football's governing bodies. If that goal is, at least partially, attained in this undertaking, and its suggestions are adequately implemented, then a significant step may be taken in order to ensure that football will be a prosper and fair market, a vessel for instilling values of civilized coexistence and a legitimate hope for people all around the globe to improve themselves and, eventually, even achieving their dreams of success and prosperity.

The Risks of Business Interests Surpassing Sport Purposes

Corruption cases related to sport commercial interests

For many years, investigative journalists in many countries have denounced the occurrence of corruption and other crimes committed within the context of international football organizations. Thus, reports about the involvement of top football officials and high-level executives in scandals regarding these organizations are not a surprise.

In 2011, the FBI announced that it was investigating possible

¹⁷Country of the Ball, *supra* note 11.

¹⁸InRondônia, *supra* note 12.

¹⁹See Otávio Nogueira Balzano&Jannaina Sousa Morais, *A formação do jogador de futebol e sua relação com a escola [The Training Soccer Player and His RelationshipwiththeSchool]*, EF Deportes (Sept. 2012) (Braz.), <http://www.efdeportes.com/efd172/a-formacao-do-jogador-de-futebol.htm>, accessedonApril 25, 2016.

malpractice within FIFA regarding its vote for the 2018 and 2022 venues and its election in June, 2011. Such investigation was, apparently, sparked by evidence of foreign organizations trying to hack into the email accounts of 2022 USA bid team members. Investigators believed that the English bid for 2018 might also have been affected and, for that reason, interviewed members of the English team in order to investigate such events. It also seems that FBI agents used this opportunity to inquire about potential crimes that might have been practiced by former football executive Mohammad bin Hammam, who was banned for life by FIFA after it was discovered that he had paid Caribbean football officials just before an election in which he was a candidate²⁰ [10]. The Russia 2018 organizing committee, which won the right to host the World Cup, claimed that they had no information about any investigations and that their bid was transparently carried out²¹ [11].

On June 2, 2014, Michael Garcia, a New York lawyer said he would soon complete investigations about the bidding process and, after he finished preparing his report, he would deliver it to the Adjudicatory Chamber for consideration²². After reviewing the bidding process for the 2018 and 2022 World Cups, Garcia urged FIFA to publicize his report²³ [12] and was followed in that subject by high-ranking FIFA officials, such as Michel Platini. The report, however, was not disclosed with allegations that it could compromise witnesses' confidentiality [13]²⁴.

On November 14, 2014, German judge Hans-Joachim Eckert, Chairman of the Adjudicatory Chamber of the FIFA Ethics Committee, issued a statement about the report prepared by Michael Garcia. In his conclusions, the judge asserted that the evidence gathered established “prima facie cases of possible FCE [FIFA’s Code of Ethics] violations”, about which the Adjudicatory Chamber could “only take note” and stress “that the Investigatory Chamber has full independence and discretion with regard to the initiation of proceedings against specific individuals”. Thus, he concluded his statement by affirming that the “various incidents which might have occurred are not suited to compromise the integrity of the FIFA World Cup 2018/2022 bidding process”²⁵ [14]. Even though initial claims were concerned only with the Qatar 2012 bid, it also encountered possible irregularities in the 2018 England bid, the 2018 Russia bid, the 2022 Australia bid, the 2022 Japan bid, the 2022 South Korea bid and the 2022 USA bid.

²⁰KELSO, Paul; NEWELL, Claire, *FBI Launches Investigation into World Cup 'Dirty Tricks' Campaign*, telegraph.co.uk, Dec. 12, 2011, available at <http://www.telegraph.co.uk/sport/football/teams/england/8939343/FBI-launches-investigation-into-World-Cup-dirty-tricks-campaign.html>, accessed on March 20, 2016.

²¹Kelso, P., *Russia Deny 'Dirty Tricks' as FBI Investigates World Cup 2018 Race*, telegraph.co.uk, Dec. 12, 2011, available at <http://www.telegraph.co.uk/sport/football/teams/england/8941725/Russia-deny-dirty-tricks-as-FBI-investigates-World-Cup-2018-race.html>, accessed on March 20, 2016.

²²*Ibidem*.

²³CNN, *FIFA: Michael Garcia Wants World Cup Bidding Report to be Made Public*, edition.cnn.com, Sep. 24, 2014, available at <http://edition.cnn.com/2014/09/24/sport/football/soccer-fifa-report-garcia/index.html?ref=allsearch>, accessed on March 15, 2016.

²⁴Masters, J., *Michel Platini Breaks Silence Over Garcia Investigation*, edition.cnn.com, Oct. 02, 2014, available at <http://edition.cnn.com/2014/10/02/sport/football/qatar-world-cup-platini-uefa/index.html?ref=allsearch>, March 18, 2016.

²⁵Chairman of the Adjudicatory Chamber of the FIFA Ethics Committee, *Statement of the Chairman of the Adjudicatory Chamber of the FIFA Ethics Committee on the Report on the Inquiry into the 2018/2022 FIFA World Cup Bidding Process Prepared by the Investigatory Chamber of the FIFA Ethics Committee*, p. 35, Nov. 13, 2014, available at www.fifa.com/mm/document/affederation/footballgovernance/02/47/41/75/statementchairmanadcheckert_neutral.pdf, accessed on March 18, 2016.

After four years of an investigation that started out as part of another inquiry related Eurasian Organized Crime²⁶ [1], on May 27, 2015, the US Department of Justice unsealed an indictment charging 14 people related to FIFA on racketeering, wire fraud, money laundering, conspiracy, and many other offenses. This indictment included sports-marketing executives and football officials from both North and South America, who allegedly paid and received, from 1991 until today, more than \$ 150 million in bribery in order to obtain major deals regarding many football tournaments²⁷. The charges fell over at least 9 football officials²⁸. Besides these people, the existence of other 25 unnamed conspirators was also mentioned by US authorities, including FIFA officials and an official from the South Africa World Cup bid committee²⁹ [1]. Guilty pleas from four individuals – Charles Blazer, former general secretary of CONCACAF and U.S. representative at the FIFA executive committee; José Hawilla, owner and founder of the Traffic Group (a multinational sports conglomerate); and Daryan and Daryll Warner, sons of Jack Warner - and two corporate defendants - Traffic Sports International Inc. and Traffic Sports USA Inc. - were also unsealed³⁰ [15].

In the morning of that day, Swiss and U.S. authorities carried out arrest warrants against Rafael Esquivel, Eugenio Figueredo, Eduardo Li, José Maria Marin, Julio Rocha and Costas Takkas, who were gathered in a hotel in Zurich. Search warrants were also executed at CONCACAF's headquarters in Miami³¹ [1] and FIFA's headquarters³² [16].

U.S. prosecutors stated that after committing crimes, the officials and executives accused used many ways to cover payments, such as: (I) fake consulting contracts to funnel illegal payments; (II) use of associates working in banking or currency dealing to send money; (III) creation of shell companies in tax havens; (IV) hiding foreign bank accounts; (V) use of safe deposit boxes; and (VI) smuggle of bulk cash³³ [1].

²⁶Apuzzo, M.; Clifford, S., *After Indicting 14 Soccer Officials, U.S. Vows to End Graft in FIFA*, nytimes.com, May 27, 2015, available at http://www.nytimes.com/2015/05/28/sports/soccer/fifa-officials-arrested-on-corruption-charges-blatter-isnt-among-them.html?_r=0, accessed on April 02, 2016.

²⁷Tournaments mentioned by the indictment include: FIFA World Cup qualifiers in CONCACAF, CONCACAF Gold Cup, CONCACAF Champions League, CONMEBOL/CONCACAF Copa América Centenario, CONMEBOL Copa América, CONMEBOL Copa Libertadores, and CBF Copa do Brasil.

²⁸The defendants were: Rafael Esquivel, Eugenio Figueredo, Nicolás Leoz, Eduardo Li, José Maria Marin, Julio Rocha, Costas Takkas, Jack Warner and Jeffrey Webb.

²⁹Apuzzo, M.; Clifford, S.; Rashbaum, W. K., *FIFA Inquiry Yields Indictments; U.S. Officials Vow to Pursue More*, The New York Times, nytimes.com, May 27, 2015, available at <http://www.nytimes.com/2015/05/28/sports/soccer/fifa-officials-arrested-on-corruption-charges-blatter-isnt-among-them.html>, accessed on March 27, 2016.

³⁰United States Department of Justice's Office of Public Affairs, *Nine FIFA Officials and Five Corporate Executives Indicted for Racketeering Conspiracy and Corruption*, Justice News, justice.gov, May 27, 2015, available at <http://www.justice.gov/opa/pr/nine-fifa-officials-and-five-corporate-executives-indicted-racketeering-conspiracy-and>, accessed on March 27, 2016.

³¹Apuzzo, M.; Clifford, S.; Rashbaum, W. K., *FIFA Inquiry Yields Indictments; U.S. Officials Vow to Pursue More*, The New York Times, nytimes.com, May 27, 2015, available at <http://www.nytimes.com/2015/05/28/sports/soccer/fifa-officials-arrested-on-corruption-charges-blatter-isnt-among-them.html>, accessed on March 27, 2016.

³²OFFICE of the Attorney General of Switzerland, *The Office of the Attorney General of Switzerland Seizes Documents at FIFA*, Bern, May 27, 2015, available at <https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-57391.html>, accessed on April 02, 2016.

³³Apuzzo, M.; Clifford, S.; Rashbaum, W. K., *FIFA Inquiry Yields Indictments; U.S. Officials Vow to Pursue More*, The New York Times, nytimes.com, May 27, 2015, available at <http://www.nytimes.com/2015/05/28/sports/soccer/fifa-officials-arrested-on-corruption-charges-blatter-isnt-among-them.html>, accessed on March 27, 2016.

In the aftermath of this international scandal, FIFA announced that it would suspend eleven of the officials involved in the accusations set forth by the FBI, because the charges were grave and were clearly related to football³⁴ [17]. On the following week, the fallout of the scandal made FIFA president Joseph Blatter, who had been elected on the week before, resign from his post and summon new elections. He took this decision while stating that he had no longer support to be the president³⁵ [18].

Cases like the ones mentioned here reveal the existence of fraudulent activity in the Sport Industry and, especially, in football. This is a highly urgent problem, not only because it negatively impacts the legitimation and credibility of the sport as a whole, but also because it compromises its economic viability. There are some facts that facilitate the occurrence of these problems and it is the purpose of this paper to identify at least some of them.

Using these and others notorious cases as paradigms for the use of football, as a way to launder money can be summarized in the following typologies, well portrayed in the discussions by the International Financial Action Group - FATF³⁶ - a) acquisition and investments in clubs, the market international transfer of players and the acquisition, handling ticket games for unlawful purposes; bets; misuse of the image rights, sponsorship and advertising, and also by a large number of cases involving the organization of the Olympic Games and the FIFA World Cups.

In fact, investments, especially in football, have not been transparent enough. Obscurity is a rule in football and it causes much trouble in verifying the origin of the funds and presenting hard evidence of the entrance of dirty money. Investments have been made from amateur clubs to the most graduated ones, which is curious because the clubs often find themselves in precarious financial situation, requiring more and more resources, even though they are involved in some of the most prestigious and large commercial contracts. There were even reports of drug-trafficking investments in football.

Investments in the acquisition of a club can be reversed through fictitious loans or transactions that actually would mean an effort to conceal ill-gotten gains. The investor, through an agent located in an offshore tax haven, acquires and sells companies and players, paying fees through this agent. Such fees are passed on to another offshore controlled by the original investor. The value of the transfer is similar to the investments.

To avoid such methods, it is important to obtain appropriate documentation and further corroborate the information in order to identify the people, the transactions involved and the source of funds for each club or player. One cannot fail to recognize the real beneficiary (beneficial owner) and the real controllers of a club.

With respect to transactions of transfers of players, the FATF Report (Money Laundering through the Football Sector), verified its

³⁴UOL, *Marin e Outros 10 Acusados de Corrupção São Banidos pela FIFA*, esporte.uol.com.br, May 27, 2015, available at <http://esporte.uol.com.br/futebol/ultimas-noticias/2015/05/27/marin-e-outros-10-acusados-sao-banidos-pela-fifa.htm>, accessed on April 02, 2016.

³⁵UOL, *Blatter Renuncia ao Cargo de Presidente da FIFA e Convoca Nova Eleição*, esporte.uol.com.br, June 02, 2015, available at <http://esporte.uol.com.br/futebol/ultimas-noticias/2015/06/02/blatter-coloca-cargo-da-fifa-a-disposicao-e-convoca-nova-eleicao.htm>, accessed on April 02, 2016.

³⁶See FATF Report: Money Laundering through the Football Sector, July 2009, in <http://www.fatf-gafi.org/topics/methodsandtrends/documents/moneylaunderingthroughthefootballsector.html>, accessed on March 14, 2016.

vulnerability to money laundering. The internationalization began in the 70's when Italy (1974), England (1978) and Spain (1980) increased the possibility of hiring foreign players.

In France, due to a suspicious transaction report, an individual admitted to being a clandestine agent of players, and his company, specialized in consulting for and advising people connected to the sports. Large amounts of money were transferred through wire transfers to the suspect's company. It was found later that most of the credits to the account of this company were originally from another company belonging to a high profile criminal suspect (from Eastern Europe and known for ties with organized crime in his country). Information collected by the Financial Intelligence Unit revealed that entrepreneurs had been associating with the goal of allowing illicit money laundering.

Many agents still operate without a regular license, chosen by the athletes themselves (relatives or their lawyers) to escape official controls. The existence of these agents makes the sport less transparent and more difficult to monitor. In addition, agents (licensed or not) have formed a closed community, which makes it difficult to establish transactions that they conduct between themselves.

FIFA adopted a Regulation on the Players' Agents on May 20, 1994, modified in December 1995 and subsequently on October 29, 2007, effective from January 1, 2008, clarifying that the FIFA agent would be the person empowered by a license, to care and to act on behalf of players and/or clubs, in player transfers anywhere in the world. On December 10, 2000, the FIFA Executive Committee approved a Regulation for Agent Players (Players' Agents Regulations), which entered into force on March 03, 2001, to fit the requirements of the European Parliament, allowing any resident of the European Union or the European Economic Area to request an agent license in any country where the national federation has its legal domicile, as well as hiring policy liability insurance with companies with legal address in any of these countries. On March 21, 2014, replacing the FIFA Players' Agents Regulations, the FIFA Executive Committee approved the Regulations on Working with Intermediaries, proposing a new system that intends to be more transparent and simple. After April 1st, 2015, players can chose any parties as intermediaries, but will have to respect certain minimum principles. Players will no longer have "agents", and all responsibilities will be transferred to players and clubs, which must act with due diligence when selecting an intermediary. A registration system for intermediaries has been put in place at member association level. In fact, it was decided to transfer all controls to clubs, which can stimulate money laundering activities in cases of collusion between them [19].³⁷

FIFA's attempts to obtain vital information through the Transfer Matching System (TMS) are valid but not enough. TMS is an important tool for obtaining information on the international transfer of players, which was previously restricted to business stakeholders [20].³⁸ Through this system, over thirty pieces of information are recorded online, such as player history, clubs involved in the business, payments, values, contracts, and other kinds of information [21].³⁹ For instance, one can check to see whether the contracted amounts were allocated directly

to the involved parties before such amounts have been reported to the recipient bank accounts. This is very important, especially when the information is electronically available.

According to FIFA, TMS aims to: a) enable clubs to confirm the terms and conditions of player transfers; b) facilitate the transfer of player registrations between Associations; c) help safeguard the protection of minors; d) provide information and decision-making tools to key stakeholders; e) train and support key stakeholders; f) monitor player transfer activities and investigate alleged breaches of transfer regulations; and g) enforce adherence to the transfer regulations through a specific sanction system, presenting breaches of those transfer regulations and proposing sanctions to the competent FIFA-bodies [22].⁴⁰

Add to this that FIFA regulations on the transfer of players do not cover all aspects of the financial transactions involved in the case of a particular athlete being transferred from one country to another. Thus, the national associations of each country will be solely responsible for presenting the International Transfer Certificate, which does not include monetary details, despite receiving a copy of FIFA. There would be, therefore, ways to control and receive information about financial flows between the clubs involved.

Many of the transactions involved happen to be more complex and multiple than those provided in contracts. Additional costs are also possible, without a bylaw clear enough to characterize these benefits in financial terms. A generic and somewhat detailed contract can constitute a factor of vulnerability to money laundering.

The involvement of offshore companies and contracts with complex and impenetrable financial structuring allows people linked to football players and their acquisition to be concealed and sometimes unaccountable. That way, a significant sum of money is usually the result of transactions with players. Investors sometimes fund young talented athletes and get payback when they are sold to another club. Money laundering can subsequently take its course.

Regarding stadiums tickets, fraud scams occur when there is no a way to adequately control their acquisition and sale, which are subject to manipulation. Clubs may declare the sale of all or a large part of the income or confederations and the associations may not properly monitor this, especially when it comes to clubs in lower divisions. The subtraction of thousands of viewers and money laundering through the purchase of seats would be easy.

With respect to the possibility of committing crimes by the use of image rights, sponsorship and advertising incumbent consign frequent use of players or athletes with excellent concept that invariably have used records of companies abroad. Image contracts are a tool for exploring all the personal appearance of the player as part of extensive advertising campaign. The money stipulated in such contracts is transferred to accounts of companies in tax havens with serious risks of fraud.

A case of corruption that should be mentioned by its importance: in Mexico, a businessman linked to the local government allegedly purchased a professional football league club, which was supposedly used as a form of attraction for politicians and public officials from various levels of government. Thanks to these contacts it would have been possible to reach decision-making power people and to get public contracts from the company linked to the same businessman.

³⁷FIFA Regulations on Working With Intermediaries. In <http://www.fifa.com/about-fifa/news/y=2014/m=3/news=fifa-executive-committee-approves-regulations-working-with-intermediarie-2301236.html> (accessed on March 15, 2016).

³⁸FIFA, *Transfers to Receive Transparency*, fifa.com (Feb. 26, 2010), <http://www.fifa.com/governance/news/y=2010/m=2/news=transfers-receive-transparency-1174575.html>, last accessed on April 25, 2016.

³⁹See *Data Section*, FIFA\TMS, <http://www.fifatms.com/en/Data/data-selection>, last visited March 25, 2016.

⁴⁰See FIFA, *Transfer Matching System*, <http://www.fifa.com/aboutfifa/organisation/footballgovernance/transfermatchingsystem.html>, last visited March 25, 2016.

What was taken by surprise in the scandal involving the mixed-capital Brazilian oil company Petrobrás (Car Wash Investigation⁴¹) is the release of an agreement between the Brazilian Attorney General and the company Andrade Gutierrez which admitted to having paid bribes on World Cup projects in Brazil in the works of the Maracanã Stadium in Rio de Janeiro, the Mane Garrincha in Brasília, the Beira-Rio in Porto Alegre, and the Arena Amazonia in Manaus [23].⁴²

Possible causes and factors that facilitate corruption in football organizations and the prevalence of commercial interests in FIFA's requirements for world cups

In the Football Industry – and in the Sport Industry as a whole –, there is a real paradox: on one hand, there is the consecration of autonomy regarding the organization and functioning of sport, i.e., leaders of organizations or relevant associations are subject, in matters concerning discipline and competitions to the requirement of prior exhaustion of a special trial by a “Sports Court”; and, on the other hand, there is the imperative of prosecution of offenses committed by criminal organizations that use sport to perpetuate their actions and their profits.

A simplistic view of the football theme, traditionally regarded as something where there is no bad faith of those who use and administer it, can no longer be accepted, for there are several criminal cases being reported and gradually revealed to society. This innocent perception, in which there is a refusal to see – or where there is no interest in assessing the source of funds addressed to sport – eventually threatens football and even compromises the State order, which considers sport solely as patriotic festivities.

Yet, the existence of large sums of money, coming, across borders, from sponsors and also wealthy private investors, to finance sport is undeniable. One can certainly say that money gradually began, on a large scale, to discover and control football in order to obtain the profits involved. The increase in cash flow allows, on the one hand, access to large numbers of people with diverse investments, and on the other, adverse consequences on the risks of fraud, tax evasion and corruption. Unfortunately football has even become a channel for laundering dirty money.

The influence of money and commercial interests in football is hardly overestimated and it is clear that, in many occasions, football officials put these financial interests over ethical and legal standards. This became clear during the preparations for the 2014 World Cup hosted in Brazil. With some points of dubious constitutionality and that violated principles that could not be subject to the law, the Brazilian government, on behalf of state and local authorities, agreed to FIFA's Requirements in order to host the 2014 Brazil World Cup. Through its offering of guarantees to FIFA in May and June 2007, valid until December 31, 2014, Brazil assured FIFA the following.⁴³

a) Issuance of unconditional and unrestricted entry visas and output to a list of people, including members of FIFA's delegation and all allied business staff, local broadcast teams, agencies with broadcast

⁴¹A-big scheme of corruption in favor of political campaigns and public contractors. It has been demonstrated that public funds had been deviated to supply a plot, with spurious payments to many congressmen in order to achieve their objectives (Money Laundering of R\$20billion, including R\$10billion of kickbacks).

⁴²UOL (2015, November 27). Andrade confessa suborno na Copa acerta acordo e pagará multa de R\$1 bi. Retrieved from <http://www1.folha.uol.com.br/poder/2015/11/1711882-andrade-gutierrez-acerta-multa-de-r-1-bi-e-vai-confessar-suborno-em-obras-da-copa.shtml>, last accessed on April 20, 2016.

⁴³See Law No. 12.663, June 5, 2012, D.O.U. JUNE 6, 2012 (Braz.).

rights, staff from FIFA's trade partners, providers of accommodation, FIFA's ticketing partners, and FIFA's IT solutions;

b) Temporary import and subsequent export, without restriction, of any and all goods necessary for the organization, ensuring quick passage and no charging of any customs duties, value added tax, or other charges or government taxes (federal, state, or local), including exemptions for FIFA's licensees and their staff, FIFA's business partners and their staff, FIFA's official partners of hosting services, and representatives of the media;

c) Prohibition on collecting any taxes or fees from FIFA, its subsidiaries, the teams, the referees, FIFA confederations, local broadcasters, agencies with broadcast rights, FIFA's business partners, FIFA's official partners of hosting services, FIFA's ticketing partners, and FIFA's IT solutions;

d) Unrestricted exchange of foreign currencies to and from Brazil, with guarantees of full import and export to FIFA members, business affiliates, transmission teams, hosting services, media representatives, and spectators;

e) Priority treatment for immigration, customs, and check-in to all members of FIFA's delegation, its managers, and teams;

f) Prohibition of “ambush marketing,” a strategy that consists of taking advantage by invading an event or its advertising space without a supporting contract with those in charge of the event who holds advertising rights, whether or not the marketing qualifies as an intrusion;⁴⁴

g) Changing of names of stadiums at the discretion of FIFA;

h) Granting of special powers to authorities who have no judicial power, such as searches, seizures, forfeitures, arrests, and destruction of property, in order to enforce prohibitions pertaining to the exclusive shopping areas. This rule was not accepted by the Congress;

i) Unrestricted granting of all media rights, marketing rights, trademarks, and other intellectual property rights exclusively to FIFA;

j) Imposition of civil liability solely on the Federal Government, including fees for any damages, litigation, or claim costs brought by third parties against FIFA, its officers, employees, and consultants.

With all of these verbose provisions, there is not a single clause aimed at avoiding financial and organized crime. These requirements set out by FIFA to a hosting country demonstrate that football authorities are much more worried with money than the game itself and the values that pervade it.

According to SveinHelgason “stakeholders in modern soccer include the main governing bodies in the sector, players, fans and club owners but also law enforcement, governments, international institutions and NGO's to name the biggest ones. The business community has also a large stake in this field and to begin with the focus is on the financial transformation of world soccer. This is a simple game which is now big business with all the good and bad consequences that follow” [24].⁴⁵

⁴⁴However, the implementation and execution of an exclusive area for advertising, such as street trading in a 2 km radius around each location, including the above airspace, is acceptable, as long as FIFA and its designees can reserve an exclusive right of exploitation.

⁴⁵HELGASON, Sveinn, *Crime and Corruption in Soccer. Match-fixing and Money Laundering in Global Soccer*. George Mason University School of Policy, Government and International Affairs, PUBP 764, Spring Semester 2015, p.1.

Gradually, the authorities are gaining awareness of the problem involving the football industry, whose high volume of resources involved across borders and the deficit of transparency of its negotiations demands a more incisive control of the authorities and its absence provides a unique opportunity for organized crime to launder dirty money.

Under the protection of football, it has been possible to conveniently allow and/or deny the existence of doubtful postures for those who have been managing or participating in it, even when reports in the international media and various studies point out to the existence of international schemes and organized illegal activities behind many practices.

Apparently, there seems to exist a general perplexity that has cooled state control actions, since they are subject to sensitive information that is provided in an obscure and incomplete way by clubs, sports associations, or even organizers of international events. This assertive has confronted the orthodox practices of sports management and startled scholars, because they were surrounded by mysterious acts, that no longer demanded a simple and summarized prognostics of crime, but a true criminal diagnosis with distinguished approaches.

According to Graham Johnson, "Boxing used to be the Sport of villains. They used it to network. A lot of deals used to get done at the boxing. Now it's football. That's the platform now, the boxing is dead"⁴⁶.

Football, being the world's most beloved and celebrated sport, is the subject of much attention, and also concerns of many foreign authorities. Because it is the most popular sport, football should not be approached without unusual and peculiar attention, especially because it is practiced by more than two hundred and sixty-five million people, with ten percent of that total being comprised by women. According to FIFA, today, there are thirty-eight million professional players, duly registered, and about three hundred and one thousand clubs.

The Role of Prevention and Control against Corruption through Football

Authorities must not underestimate the problem of corruption and other crimes, or address this issue without the attention required to provide an effective financial transparency to prevent tax evasion and capital flight through football. Many criminal techniques include financial transfers with the use of offshore companies located in tax havens, with shelf companies, and with the intermediation of non-professional or politically exposed persons.⁴⁷

What is called for is an immediate rereading of all mechanisms of enforcement and prevention of money laundering as a general proposition, and the myriad of all forms of its expression, but notably in this very important area where enforcement works as the reaffirmation of cultural and social traits.

Control agencies have an important role and responsibility in preventing crime. There is a great concern with the records of institutions and entities, which are already obliged to send Suspicious Activity

⁴⁶ See Graham Johnson. *Football and Gangsters. How organized crime controls the beautiful game.* Great Britain: Cox and Wyman Ltd., 2007, p.11.

⁴⁷The Normative 748/RFB Revenue Service of Brazil, of June 28, 2007, does not require the full identification of partners and managers, contrary to the legal entities domiciled in the country, but rather requires only the presentation of a copy of the charter, in order to obtain the CNPJ (the identification number for companies in the Brazilian Internal Revenue Service). This may be satisfied with the mere statement issued by a public tax haven (with company name, date of opening, legal, corporate and address).

Report - SAR to the Financial Intelligence Units - FIUs⁴⁸, which are responsible for receiving, requesting, analyzing, and distributing, to the appropriate authorities, reports on financial information with respect to procedures presumed to be criminal under national legislation or regulations implemented to prevent money laundering.⁴⁹ These units can take the shape of judicial bodies, police forces, administrative agencies, or a mixture thereof.⁵⁰ The need for SAR systems – as well as their adequate regulation, in order to avoid money laundering - reflects the important role that individuals and corporations have in helping government agencies in the combat against serious crimes. Thus, one could imagine, as a way to improve the control over illicit activities, a responsibility that could be set forth to football administrative bodies to also be required to monitor and report activities that, according to objective parameters, are considered suspicious.

In this matter, FIFA's attempts to obtain vital information through the Transfer Matching System (TMS) are valid but not enough. TMS is an important tool for obtaining information on the international transfer of players, which was previously restricted to business stakeholders [25].⁵¹ Through this system, over thirty pieces of information are recorded online, such as player history, clubs involved in the business, payments, values, contracts, and other kinds of information [21].⁵² For instance, one can check to see whether the contracted amounts were allocated directly to the involved parties before such amounts have been reported to the recipient bank accounts. This is very important, especially when the information is electronically available.

Also, FIFA should not be the only recipient of such data since the autonomy guaranteed to sport, and especially conferred by the Brazilian Constitution, as an example, limits it to the sport's organization and operation.⁵³ It is essential to create certain obligations, like reporting of suspicious transactions to the Financial Intelligence Units, upon clubs, federations, and confederations, and upon those who provide advisory, auditing, bookkeeping, and consulting in this area. There are records of money laundering occurring within clubs during negotiations of international money transfers in various countries. In fact, according to the FATF, clubs are deliberately being used to launder money.⁵⁴ That is why it is insufficient to create a system where information is only supplied by these clubs without any control over them. Authorities should not be replaced by FIFA, an organization that sometimes acts purely with commercial and private interests. FIFA data is neither public nor easy to obtain, and authorities would be forced to request international legal cooperation to access them, as FIFA is headquartered abroad.⁵⁵

The inherent globalization in today's world, including in football, with all of its advantages and disadvantages, fosters the technological and transnational criminal enterprise - which is practiced even by large businesses and conglomerates - and demands unprecedented

⁴⁸31 U.S.C. § 5318(g)(1) (2012); Brazilian Anti-Money Laundering Law No. 12,683, July 9 2012.

⁴⁹Law No. 12,683/2012.

⁵⁰*Id.*

⁵¹FIFA, *Transfers to Receive Transparency*, FIFA.COM (Feb. 26, 2010), <http://www.fifa.com/aboutfifa/organisation/footballgovernance/news/newsid=1174575/index.html>.

⁵²FIFA, *Data Section*, FIFA/TMS, <http://www.fifatms.com/en/Data/data-selection> (last visited March. 25, 2016).

⁵³Constituição Federal [C.F.] [Constitution] art.217 (Braz.).

⁵⁴FATF Report, *Money Laundering...*, page 118.

⁵⁵*Id.* para. 143.

cooperative exchanges among nations. There is no reason, therefore, that this cooperation should be any different in cases regarding corruption within football organizations. The Swiss-U.S. joint operation that arrested many football officials in May 2015 is a testament to the importance of international cooperation.

Other football confederations, like the Brazilian Football Confederation (CBF), have also exercised minimal control over suspicious activities involving football. Their performance is limited — the CBF is sometimes in charge of the issuance of International Transfer Certification for players and is not aware about conditions or the value of transactions. The CBF also does not interfere in the transaction between athletes and clubs. For these reasons, the confederations or federations have no way to inform the amounts and contracting parties involved in their loans, leaving no way for the compliance with ethical standards to be verified.

It is also relevant to set out a comprehensive and consistent framework of measures. Corrupt practices - understood as offenses in the Criminal Code and in other special legislation and, as such, implies the obtainment of unjust advantages or the misuse of public funds by government employees, other third parties, and in the private sector - must be constant topics covered by an agenda towards fighting crime in football, like supervision and criminal prosecution activities. They should be regarded as priorities and the efficiency of the agenda should be preserved, even in face of needs of adjusting budgets, including the standardization for requesting and responding to bank secrecy breach requests and the respective tracking speed and economy in investigations and criminal prosecution, the regulation of government agencies' access to accounting documents on entities hired by Public Administration, and the creation of specialized trial courts in order to run efficiently and effectively. Then, with those measures, the sense that law applies to everyone would be augmented through a well-conceived prevention system which works as an adequate means of combating criminality, allowing national powers to recover their credibility, and strengthening the democratic institutions that support and generate the Rule of Law.

There is also a need to establish an Integrity Due Diligence - IDD [24]⁵⁶, i. e., making appropriate inquiries to determine whether an organization's existing or prospective third parties are honest and can be reasonably expected to refrain from corruption. This is a role that has to be played in connection with the private sector. That is the way to reduce the risk of bad management, and enhance existing integrity. There is no reason, then, for governments not to demand from football international organizations their cooperation in this matter, by effectively applying IDD.

In short, what football and the sport industry in general really need is a shock of transparency. Its hermetic character has, for too long, hampered people interested in the well-being of the game from having access to extremely relevant information. This lack of transparency is what led to what we have recently seen not long ago: football officials involved in all kinds of wrongdoings. The secrecy that involves football has allowed crime to flourish within its structures and, since no one could clearly see its growth over the years, it has probably become too big a problem to be handled only by people from the organization. Government, media, fans, club owners, sponsors, players and football professionals: all these actors that are interested in improving the

⁵⁶As per the World Bank IDD Policy, according to Frank Anthony Fariello who expressed his concern at "Drivers of Corruption Second Roundtable (Paris, OECD, March 24, 2015)-Summary of Discussions" (in <https://collaboration.worldbank.org/docs/DOC-13374>, accessed on April 08, 2016).

business of football must put pressure on FIFA and other football governing bodies as a way to force it, not only to correct its ways and amend its mistakes, but also to alter the manner with which it deals with relevant information, allowing all parties involved in the well-being of football to be aware of what is actually going on with the sport.

Conclusion

In a conference in Milan in 2014 on criminal threats to sports, speakers stressed how an atmosphere of corruption, bribery and lack of law enforcement created a greater risk to sports [25].⁵⁷

Reducing corruption in the Football Industry is an issue of necessity and practical significance. According to Marilza M. Benevides "Let us remember, once again, that organizations are made of people and that there are no rules of conduct that can take head-on, human creativity, which enables moral and other more complex weaknesses to surface. The need for legislators and regulators to intervene and for organized society to mobilize is a means to mitigate the risks posed by such moral and complex weaknesses that surface through human creativity. From legislators, we should expect clear regulations, in addition to adequate monitoring, supervision, and a consistent system of punishment. From the other market players, we should expect mobilization and activism. When all these parts come together, the light at the end of the tunnel starts to shine" [26].⁵⁸

Searching for ethical behavior is essential, especially "in a world where almost everything is public, ethics is an often overlooked or hidden asset, which allows crises to be overcome like no other. It is as if there was magic: even where there is just a little presence of ethical sensibilities, much can be achieved. An ethical sensibility and behavior should be managed with the same dedication that is used to manage our best assets, because it is capital" [27].⁵⁹

National football associations have a responsibility to discipline, coordinate, and administer football in their respective countries [28].⁶⁰ Such entities at the national level are considered to be the first regulators in the country, but they must still comply with specific regulations established by FIFA. It has been common to establish the autonomy of sports bodies along with the mandatory exhaustion of remedies through these bodies with respect to actions regarding discipline and sporting competitions before resorting to the courts. According to Álvaro de MeloFilho, the obligation to obey international standards stems not only from legal necessity, but also from voluntary membership by confederations and federations in FIFA [29].⁶¹ FIFA's rules are ultimately imposed on several countries and do not allow any discussion, lest there be a violation of sovereignty. This opinion

⁵⁷See HELGASON, Sveinn. *Crime and Corruption in Soccer. Match-fixing and Money Laundering in Global Soccer*. George Mason University School of Policy, Government and International Affairs, PUBP 764, Spring Semester 2015, p.6.

⁵⁸BENEVIDES, Marilza M. It Is the Ethic of the Marke! What Ethic? There Are Huge Challenges to be Faced for Brazil to Overcome in the Combat of Corruption. (*É a ética do mercado! Que ética?*) "Há enormes desafios a serem enfrentados até que o Brasil avance no combate à corrupção", available at <http://www.jornaldapaulista.com.br/site/page>, last accessed April 9, 2016.

⁵⁹Ricardo Young. *The Occult Magic. (A mágica oculta)*. ETCO - Instituto Brasileiro de Ética Concorrencial Review, April 2013/no. 20. Year 10, p. 28–29.

⁶⁰FIFA Associations, FIFA.COM, <http://www.fifa.com/aboutfifa/organisation/associations.html>, last visited April 1, 2016.

⁶¹Felipe LegrazieEzabella, Agente Fifa e o Direito Civil Brasileiro [Fifa Agent and the Brazilian Civil Law] 56-57 (QuartierLatin ed., 2010) (quoting Álvaro Melo Filho, O novo direito desportivo [The New Sports Law] 69-70 (2002) (Braz.)).

is also supported by Philip Legrazie Ezabella.⁶² However, it should be understood that FIFA's standards in each country only apply to the organization and functioning of sports bodies due to the autonomy granted to these entities. FIFA's standards cannot overlap with the countries' jurisdictional law.

Sport is a global activity prone to criminal action and money laundering because of the large sums of money channeled through it. If vulnerabilities and anonymity persist in these areas, the risk of exploitation by organized criminals will continue to grow.

Cases mentioned on this paper and the methods used by criminals demonstrate that it is more than necessary to establish strict controls over the sport industry, which should be, in fact, transparent. The analysis of the issue in its darkest aspect, demonstrates that sport, and its organization, have been shaken by organized crime, illegitimate illegal commissions for hosting international events, like Olympics Games and FIFA World Cups [30].⁶³

Such aspect is able to compromise the social role of sport and break the illusion of innocence in it. Money gradually began to dominate its world due to the advantages that are directly or indirectly obtained. On one hand, the increase in cash flow has allowed large numbers of people to access the world of sport through various investments. On the other hand, it has led to many harmful effects. There is also a high risk of fraud, corruption, and money laundering.

Thus, awareness of the problem contributes to its solution at appropriate levels in a way that all athletes and players can start to understand their liability in fighting illegal activities. There should be, therefore, perfect coordination between the sector and government authorities with continuous training [31].

It is important to establish the obligation to report suspicious transactions, especially regarding business transfers of athletes through promotion, brokerage, marketing, or trading. It is also essential to require advice and consultancy in financial matters involving sport, because criminals often are precisely those with the obligation of reporting suspicious transactions. The lack of transparency regarding the transfer of players and the true identity of owners or managers of football clubs, which are usually in the hands of national associations, as well as the organization of international events like Olympic Games and FIFA Football World Cups, can lead to its domination by a handful of people and cause serious concern about prevention and suppression of money laundering and corruption [32].

For that, it is mandatory to set up a supervisory body capable of closely monitoring the industry, including the management of clubs that often bear debts incompatible with their effective financial capacity. That is why it is insufficient to create a system where information is only supplied by these clubs without any control over them.

Comprehensive and proper financial criminal law and the

⁶² See *id.*

⁶³The "Mane Garrincha" stadium in Brasília, with a capacity for 71,000 spectators (the 2nd largest in Brazil, behind only the Maracanã in Rio de Janeiro), was budgeted at \$650 million (U.S. dollars) on May 20, 2013 and funded through the negotiation of land negotiated by and belonging to Terracap, property state, whose society is divided between the government of Brasília (51%) and the Federal government (49%). The directors of the company were all dismissed by Governor Agnelo Queiroz. The final expense is estimated at \$1 billion. The Court of the Federal District discovered irregularities of all sorts such as duplicated costs of leased equipment, oversized transportation vouchers, overpayment for services not performed, overpricing in some items valued at \$36 million. As of now, the Maracanã has cost about \$506 million for just a second reform (in A terra do "Nunca Fica Pronto". *Revista Época*, edição 781, May 13, 2013. São Paulo: editora Globo, p. 30-35).

existence of the crime of corruption (private corruption offense) are justified by the simple idea that market rules alone cannot provide all of the aspirations emerging within the context of business practices - oftentimes through dangerous, ethical gray areas. The combat of misconduct must start from the individual to the officials [33].

The adoption of isolated measures, apart from any global consideration of the problem, will never suffice as an effective strategy in the war against corruption in football and in the Sport Industry.

The concept underscores the necessity for every side of the triangle - Sport Industry (private sector), Government Bodies (public sector) and third parties - to be accountable and share equal responsibility for ensuring integrity in the games and its organizations [34].

New threats and risks to the health of the Sport Industry should be constantly monitored and identified, keeping conventionally accepted typologies in mind, for their identification plays an important role in providing countries with tools to build stronger safeguards to face today's challenges.

These crimes threaten the integrity of football and Sport and there is still hard work to be done in order to combat corruption in this industry, while keeping its credibility and rescuing the beauty of the games.

Governments tend to get less attention than they should, given their important role when we talk about Olympic Games, World Cups, and or International Events, due to the inherent political profit of being hosting country [35,36].

Sanctions alone cannot solve the broader problem of corruption; it should, instead, put more emphasis on making every single party do its part, increasing their collaboration with national and international authorities to the benefit of every one. It is not about letting wrongdoings go unpunished, but rather to force all parties to take action against corruption in order to prevent it before it happens. Measures have to be taken to encourage good governance, transparency and democracy in the governing bodies of football tournaments, nationally or internationally, including the establishment of severe legislation and enforcement to keep corruption practices away.

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