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**MOBILISING PEOPLE:  
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### **Long Session Report: Global Solutions**

**Session Title:** Out of Bounds: Identifying, disrupting and preventing the infiltration of organized crime in football

**Date & Time:** November 7, 2012, 18:00 (actual start: 18:30)

**Report prepared by:** Kristen A. LARSON, Transnational Crime and Illicit Threats Advisor, U.S. Department of State

#### **Experts:**

Dimitri VLASSIS, Chief of the Corruption and Economic Crime Branch, UNODC

Ralf MUTSCHKE, Director of Security, FIFA

John ABBOTT, Chair of the Integrity in Sports Steering Group, INTERPOL

Drago KOS, Independent Expert

**Moderated by:** Rob BONNET, Sports Broadcaster

**Session coordinated by:** Ellen WHITE, Integrity in Sport Policy Analyst, INTERPOL

**Summary of Panellists' Contributions & Discussion Points (please be as detailed as possible)**

#### Main Discussion Points

The session addressed the infiltration of organized crime in sports as a threat to football, which, as the world's most popular and lucrative sport, is a particularly attractive target for illicit networks. The ability to launder money and make a profit in the process through manipulation of football appeals to significant transnational criminal organizations and other professional criminals. Once these illicit funds are channelled to criminal organizations, they can be used to fuel a wide range of criminal activity.

Criminal organizations are difficult to monitor and target, and operate with the support of a network whose capacity and resources may equal or outweigh those of law enforcement. It is therefore necessary to identify and mobilize the “agents of change”—in law enforcement, sporting organizations, government, civil society, etc.—to prevent and disrupt the infiltration of football by organized crime.

The workshop focused on match fixing and irregular betting, which highlight the risks related to corruption of football by criminal organizations, and addressed the question of how to block the entry at all levels, from amateur local matches to major international competitions. By raising awareness of the problem, the workshop aimed to empower agents of change (from fans to international regulatory bodies) to take action and identify best practices in coordinating the activities of various agencies to best identify, disrupt, and prevent the criminal infiltration of “the beautiful game.”

The discussion revolved around three objectives:

1. Outlining the steps that different sectors of societies can take to prevent and reduce the infiltration of organized crime in football, from ordinary fans to match organizers.
2. Developing a plan to establish communication networks that connect these sectors in order to facilitate a coordinated response.
3. Creating a strategy to further raise awareness and motivate action by national and international bodies against this threat.

The workshop opened with anecdotes from the panelists’ professional experience in order to illuminate the depth of the problem, including case studies such as the notorious Wilson Raj Perumal of Singapore, the subject of a FIFA and subsequent law enforcement investigation. According to open-source reporting, in the past year, 60 different countries have opened investigations into match fixing in football. Further anecdotes and evidence illustrated the scale of money raised, damage done, and suffering caused to communities, organizations, and institutions.

Panelists then discussed the difficulties involved in combating organized crime and football. Organized crime and corruption related to sports is

not yet a law enforcement priority for most countries; thus, football and other popular sports are considered “high profit, low risk” areas in which to invest criminal funds. The question is often asked: is this a disciplinary concern or a criminal concern? Are organizations that take no action naïve, or complicit?

Panelists agreed that follow-up action should revolve around five principles: partnerships, information sharing, coordination of response, prevention, and proactivity.

A summary of the panelists’ individual comments follows:

#### Ralf Mutschke, FIFA

When asked to offer anecdotal experience of the problem, Mr. Mutschke described the case of Wilson Raj Perumal, a fixer for criminal networks across Asia who specialized in match fixing and other forms of fraud related to sports. Perumal rigged games globally, generating millions of dollars in fraudulent gambling in more than 65 countries. He often organized matches in Europe, the Middle East, and elsewhere while his associates remained in Asia. Shell companies in Singapore and London would approach match organizers, making use of false identification, including fake FIFA business cards.

Mr. Mutschke explained that although FIFA has a zero-tolerance policy for fraud, it is not a police agency, and investigations are focused on the football community only. He observed that match fixing is not yet a priority for the policy, since it is considered a minor crime. However, he warned that the low-risk, high-profit nature of match fixing is increasingly attractive to organized crime, in some cases driving drug trafficking organizations to shift their operations to the sports sector.

Mr. Mutschke urged wide implementation of FIFA’s “3R” principle: “Recognize, Resist, Report.” He emphasized the need to build a network of “integrity officers” to share information, develop joint action plans, and coordinate issues with the aim of preventing match fixing from occurring in the first place.

#### John Abbott, INTERPOL

Mr. Abbott reminded the audience that match fixing is by no means limited to football, but extends to sports such as volleyball, badminton, horse racing, and sumo wrestling. He highlighted the “Black Book” on corruption in football recently released by FIFPro, a football players’ association. Among other conclusions, the study finds that match fixing is more widespread than previously believed; clubs are buying rankings in the leagues; and pay is deliberately being withheld from players in many areas to force them to engage in match fixing.

Changes in betting patterns over the last two decades and abysmally low wages for most football players are among the chief causes of the recent rise in match fixing cases, said Mr. Abbott. Betting operators coordinate bets on many more aspects of the game than in the past, turning each match into a gold mine for potential abusers. On average, Mr. Abbott explained, the legal market generates roughly US\$ 400 billion in bets, while the illegal market is estimated to generate US\$ 200 billion. While he cautioned that these figures are “a stab in the dark,” he noted that of all betting in sport, football accounts for 92 percent of that market.

Like Mr. Mutschke, Mr. Abbott called for more effective partnerships to fight match fixing, since football associations, national governments, law enforcement, and other members of the football community rarely talk to one another. He advocated a central body that would serve as a national information unit for sports intelligence that would collect evidence and determine whether a specific case should be investigated by a football association, law enforcement, or other entity.

In addition, he urged a strategy of prevention that would include legislation, corporate governance, codes of conduct, regulations, and, most importantly, training to help people understand the risks, resist them, and report them.

#### Dimitri Vlassis, UNODC

Mr. Vlassis expressed concern that there was little appetite for new international conventions, particularly at the United Nations level. He urged the homogenization of national legislation, which would facilitate joint investigations and police cooperation on match fixing cases.

He identified the traditional autonomy of the sporting world as the center of a dilemma on how to combat match fixing. He said, "Sport has valued and jealously guarded its autonomy for a long time, and involvement by law enforcement is perceived as an encroachment on their autonomy. We need to correct that perception." He called for a division of labor between law enforcement and football associations: law enforcement should handle the criminal side of the case, while football associations should deal with the disciplinary aspects.

### Drago Kos

Mr. Kos warned that match fixing is particularly difficult to fight because it involves three independent actors: sports organizations, which sometimes have the legal status of civil society organizations and are to be kept separate from political interference; betting operators, which follow the "law and economy of private interest;" and public bodies responsible for the public interest. The biggest problem, he said, is how to convince them all to work together.

He also spoke to the evolving nature of the crime, speaking from his perspective as the former head of the Organized Crime section of the Slovenian police. "You cannot fight match fixing with a notebook and a pen. ... As the criminals are going forward, we also have to go forward. And if we are applying so many different methods to detect and investigate so many forms of criminality...we will have to enable law enforcement agencies to apply those methods in the area of match-fixing, too."

Mr. Kos raised the question of what standards should be developed and applied across borders to tackle match fixing. For example, should standards (e.g. codes of conduct) be offered to governments and sports organizations, or should they be obligated to implement them? Which institutions should deal with which aspects of the problem? In all cases, he argued, information sharing and cooperation will be crucial.

## Main Outcomes (include interesting questions from the floor)

### Main Outcomes:

1. The problem is not only local, but one characterized by **global connectivity**. Individual “fixers” may receive the most attention in the media, but they are supported by networks of associates in many countries, including organized crime, corrupt officials, betting operators, and members of the public.
2. Sport is an attractive target for organized crime because it is viewed as a “**low risk, high profit**” market. Match fixing and other crimes that threaten the integrity of sports are not priorities for law enforcement in most countries; by the same token, clubs and sports associations lack the investigative means and authorities to detect, prevent, and defeat this threat on their own. Social media may help elevate the risk of engaging in sports-related crime by shedding light on cases that would otherwise go unreported.
3. Financial flows, including money laundering, related to sports crime must be considered in context, namely: the **business model** of sports, especially football, in a globalized world, where fans and betting networks span the globe and enjoy instantaneous connectivity. Sports have become a global industry: it has grown exponentially, it involves serious amounts of money, and it is difficult for clubs themselves to monitor. Where there are high profits and low enforcement, organized crime views an opportunity.
4. Sporting organizations cannot wait until disaster strikes: they must be more **proactive** about identifying, investigating, and reporting suspected cases of criminal infiltration. Moreover, the perception that law enforcement necessarily encroaches on the historical autonomy of sports associations must be corrected. Match fixing and other crimes have both disciplinary and criminal components: both must be dealt with by the appropriate authorities in close coordination.
5. **International standards** for countries and sports associations are key. National legislation should become more homogeneous from country to country, a process that can be facilitated by international legislation. With proper legislation in place, instruments will allow authorities to conduct joint investigations across borders, promote police cooperation,

and raise awareness among all concerned of the seriousness of the problem. Implementation of legislation, once adopted, is critical.

### **Audience Participation**

A question from the audience prompted a discussion of the role that Financial Intelligence Units should play in tracking illicit financial flows related to match fixing in football. Panelists noted that it is difficult to prove without special investigative means, which many countries do not allow in cases of match fixing. Few clubs possess the ability to monitor financial flows, and quantitative figures are estimates at best.

A participant from Guatemala explained that three players from his country were recently banned for match fixing. In their defense, the defendants have argued that evidence based on witness declarations by teammates is insufficient. The participant asked the panelists how cases of match fixing are most effectively investigated.

Mr. Kos responded, “You cannot fight match fixing with a notebook and a pen. ... As the criminals are going forward, we also have to go forward.” Both he and Mr. Vlassis noted that as football has become a global industry, it has become increasingly difficult for the clubs themselves to monitor financial flows. Both advocated for law enforcement to take a greater role.

A Romanian participant observed that owning a club is “an easy way to become a politician,” and asked panelists to speak to the links between sports and official corruption. Mr. Kos rationalized that owning a club is only illegal if politicians misuse their office to finance the clubs they own.

Other questions inspired debate on the convergence of sports crime with other types of crime, such as drug trafficking; the role of whistleblowing and social media; the importance and potential success of international legislation; and the relationship between governance and sports integrity.

## Recommendations, Follow-Up Actions

The panel recommends that both public and private sectors focus on the following actions to prevent and combat this threat:

1. Continue to support national implementation of the UN Convention Against Transnational Organized Crime (UNTOC) and UN Convention Against Corruption (UNCAC) as they apply to sports; the Council of Europe Draft Convention Against Manipulation of Sports Results; and related international legislation aimed at preventing criminal infiltration of sports without compromising the autonomy of sporting organizations.
2. Use a variety of mechanisms to raise awareness among fans, players, club owners, referees, regulatory bodies, law enforcement, and other stakeholders of the threat posed by organized crime to sports.
3. U.S. State Department, Bureau of International Narcotics and Law Enforcement Affairs (INL), will continue to explore support for the development of quantitative data and mapping of the illicit financial flows related to sports and other crimes, recognizing that this type of organized criminal activity is one part of a global illegal economy that depends on the ability to launder money through the legitimate international financial system.
4. Both INTERPOL and the U.S. Department of State, INL Bureau, will promote partnerships among all stakeholders, including referees, players, club owners, fans, law enforcement, betting agencies, international sporting organizations, and others, both within and among countries, to facilitate information sharing among agents of change and develop a holistic strategy to combat this threat.
5. INTERPOL will continue to emphasize prevention, investigation and reporting of criminal infiltration of sports through education and training programs that promote cooperation between relevant stakeholders.

### **Highlights (please include interesting quotes)**

Mutschke: “We have to recognize this threat and be united in protecting football as a clean sport. But we cannot do it alone.”

Kos: “You cannot fight match fixing with a notebook and a pen. ... As the criminals are going forward, we also have to go forward.”

Vlassis: “There are two sides to the coin: it is a problem for the sport, which needs to be dealt with administratively, but it is also a crime, and that needs to be dealt with by law enforcement.”

### **Key Insights Recommended to be included in the IACC Declaration**

Partnerships and communication networks among different sectors of society, from players and club owners to international tournament organizers and law enforcement, are critical to developing a holistic strategy to keep organized crime out of sports. Successful partnerships will prevent and combat this threat without compromising the autonomy of sporting organizations.

Organized crime is a business: criminal groups will invest wherever they identify an opportunity to profit. Thus, organized crime may be involved in any sport, at any level, with a diversified portfolio including match fixing, money laundering through betting pools or direct ownership, contracts to construct sports facilities, and countless others. Improved regulation, enforcement, monitoring, and collective action will raise the costs for organized crime of involvement in the sporting world, and drive criminal entrepreneurs out of business.

International legislation such as the UN Convention Against Transnational Organized Crime (UNTOC) and the UN Convention Against Corruption (UNCAC), as well as the Council of Europe Draft Convention Against Manipulation of Sports Results, enable the creation of a regulatory and enforcement environment at both the international and national levels that limits the opportunity for organized crime to get involved.

Our understanding of the scope and scale of organized criminal infiltration of sports is still limited. We must acquire data and develop

comprehensive typologies to combat this threat effectively from both the public and private sector perspectives.

Awareness and training are pillars of prevention in this field. Both public and private sectors should promote the use of a variety of mechanisms to raise awareness among fans, players, club owners, referees, regulatory bodies, law enforcement, and other stakeholders of the threat posed by organized crime to sports. Public education and training for all relevant stakeholders is fundamental to prevent and investigate organized criminal infiltration of sports and promote cooperation.

**Kristen A. LARSON, Rapporteur, submitted 14 November 2012**

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