Evolutions in sport related to corruption

Global Report on Corruption in Sport

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## Global Report on Corruption in Sport

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Introduction

Corruption in sport is not a new phenomenon. Fraudulent activities in the running of sports institutions and competitions have been documented from the times of the Ancient Olympic Games to the modern day, including in relation to e-sports tournaments. Indeed, tackling corruption in sport and strengthening its integrity has been a key driver of the development of modern sports, through the adoption of relevant rules and regulations. For example, it is believed that the rules of cricket were first written in the United Kingdom of Great Britain and Northern Ireland in the eighteenth century to settle and avoid gambling disputes that were increasingly marring the sport.1 Similarly, it would be misleading to assert that corruption only became a public concern in the last decade. Cases such as the 1919 Black Sox scandal in baseball in the United States of America2 and the 1980 Totonero competition manipulation scandal in Italian football3 attracted considerable media attention and political scrutiny.

In recent years, criminal proceedings involving corruption in sport have attracted much attention. Several recent examples can be cited. In 2018, following an investigation by the Federal Bureau of Investigation (FBI),4 the launch of multiple and high-profile investigations by prosecutors and numerous private investigations for racketeering, fraud and corruption offences, a former member of the Fédération Internationale de Football Association (FIFA) Executive Committee (now FIFA Council) was sentenced to nine years in prison. In another case, authorities in France convicted the former President of the International Association of Athletics Federations (IAAF), alongside other international officials, of corruption.5 In 2019, the International Olympics Committee (IOC), decided to exclude the Association Internationale de Boxe Amateur from organizing boxing events at the following Summer Olympic Games in Tokyo because of mismanagement and governance issues, including competition manipulation concerns.6

When the credibility of sport is undermined by such scandals, the negative impact can be dramatic, including a decline in television audiences and in attendance at stadiums, the withdrawal of sponsors and a reduction in general interest in the given sport. For example, following years of allegations and cases of competition manipulation, in 2011, Turkish football suffered a significant fall in match attendance.7 In February 2016, Nestlé terminated its sponsorship of the International Association of Athletics Federations (now called World Athletics) explicitly citing negative publicity associated with corruption allegations as one of the reasons.8

Corruption in sport affects the financial health of federations, clubs and athletes, and erodes public trust in and saps the societal impact of sports activities. The educative and ethical values of sport and its capacity to foster positive social change depend on the exemplarity of sporting role models and the credibility of sporting institutions. Therefore, corruption in sport is a matter of public interest because countries invest in sport and rely on it to promote health, educative and social benefits.

The aim of this section is to identify major evolutions in sport integrity issues in recent decades to support further understanding and raise awareness of them. The section looks at structural changes and vulnerabilities in the global sports sector, the main corruption risks in sport and governance reforms in sport, before offering conclusions.

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1 Roger Munting, An Economic and Social History of Gambling in Britain and the USA (Manchester, Manchester University Press, 1996).
3 Sean Hamil and others, “The governance and regulation of Italian football”, Soccer and Society, vol.11, No. 4 (July 2010), pp. 373–413.
8 Nestlé, “Nestlé ends its partnership with the IAAF”, 11 February 2016.
Figure I.

SPORTS CORRUPTION TYPOLOGY APPLIED IN THE PRESENT REPORT

1. STRUCTURAL CHANGES AND VULNERABILITIES IN THE GLOBAL SPORTS SECTOR

This section is aimed at highlighting and discussing several key transformative trends that have affected the sports sector in recent times, including the risks of corruption in sport and how they are linked to economic innovation in and the expansion of the sector.

1.1 GLOBALIZATION OF SPORTS

A major trend in sport over the last two decades has been the globalization of sports activities. An indication of this trend is the increasing audiences for mega-events such as the Olympic Games and the FIFA World Cup. On a larger scale, viewership of football, tennis, rugby, cricket and basketball competitions has grown exponentially over the period.

According to FIFA, more than half of the world’s population aged over four watched its 2018 World Cup. At club level, strengthened by growing budgets, major European football clubs are investing in smaller clubs and training centres around the world with the aim of identifying and nurturing promising players. Marketing strategies are aimed beyond national borders, too. Markets in Asia and America are specifically targeted through exhibition tours and training camps, while social media is also helping clubs expand global fan bases: Real Madrid and Barcelona football clubs together count more than 500 million followers through their social media networks, according to a private study. The signing of star players is accompanied by global merchandising strategies, as they attract entire fanbases associated with the players.

Estimates of the value of the sports industry vary depending on the range of metrics used. In 2018, estimates ranged from $488.5 billion when looking at sport-specific products to $756 billion when other economic sectors are included, such as transportation and entertainment. While these are significant figures, outside of the world of elite sport, the sector is characterized by financial difficulties, for sports people and institutions, which has associated corruption risks.

1.2 FINANCIAL PRECARITY IN SPORT

Football and tennis, given their popularity and global reach, are representative examples of the financial disparities that exist in sport. From 2010 to 2020, the total prize money for the Australian Open Grand Slam tennis tournament rose from 24 million Australian dollars to 71 million Australian dollars. Meanwhile, the prize money for ATP Challenger Tour and ITF Futures tournaments has stagnated until recently. Many players compete outside of the media spotlight for limited prize money. According to the International Tennis Federation, in 2017 there were 14,000 so-called tennis professionals, but fewer than 600 broke even before coaching costs.

Similar conditions apply to football. Between the 2010 FIFA World Cup in South Africa and the 2018 FIFA World Cup in the Russian Federation, the annual revenue of FIFA tripled. Over the same period, aggregated revenues from football clubs participating in European competitions rose by 65 per cent, from 12,774 million euros to 21,083 million euros. Consequently, transfer prices and player wages levels broke records every year. In comparison, global gross domestic product rose by 25 per cent. The percentage of total European revenue accounted for by the five major leagues (England, Spain, Germany, Italy and France) between 2010 and 2018 rose from 69 per cent to 75 per cent, its highest ever level, while the share of the leagues in the remaining 50 countries fell from 16 per cent to 12 per cent. These numbers have significant meaning, as the majority of leagues and clubs are struggling to make ends meet and to attract players and sponsors.

The polarization of revenue distribution is visible in most sports. Many international and national federations are struggling to attract media and sponsors. The vast majority of the 11,237 athletes who participated in the 2016 Summer Olympics did not have stable financial circumstances. For all athletes, their financial circumstances depend on their physical and psychological performance, which by nature is unpredictable. Notably, when the end of their career is approaching (sporting careers are short) and they have few post-career professional and financial prospects, athletes could be tempted to make easy money out of their last appearances. These precarious situations can lead some athletes and their entourages to carry out corrupt acts.

1.3 THE IMPACT OF TECHNOLOGY: A NEW ERA OF SPORTS BETTING

Betting and sports are linked in the era of modern sport. In many countries where betting is legalised, betting finances sports activities through public lotteries, the profits of which have long been channelled to sports organizations. For example, the Moroccan lottery finances the national sports agency. In 2019, this contribution reached 50 million euros. Betting also finances sport through sponsorship: in 2020, betting operators were the second most important main-sponsors for European football clubs, behind retail companies. Betting companies are also increasingly targeting non-European markets, as countries such as Brazil, India and the United States are opening their betting markets. In addition, betting can be an additional attraction for sports audiences, who eye the possibility of private financial gain from games that they often have little interest in.

The arrival and mass adoption of the Internet at the turn of the twenty-first century revolutionized the betting industry through the development of online betting, which has created a worldwide betting market. This for example allows a betting operator to reduce risks linked to unfavourable sports results by placing several bets on several betting websites. This way, they can pay out winnings to customers who have placed winning bets using money that they have won from similar bets placed abroad. More importantly, some betting operators, with a licence in just one jurisdiction, use the Internet to target bettors around the world. For example, an operator only licenced to operate in country W can target consumers in jurisdictions X, Y and Z through the Internet, even though jurisdictions X, Y and Z may not allow them to do so. As underlined in the section on illegal betting, it is estimated that about 80 per cent of the global sports betting market is illegal.

With return rates (the average amount paid back to bettors) approaching 100 per cent, the profits of betting operators remain low, compared to the amounts of bets that are placed each year. For customers, who can invest money almost at any time, without firm thresholds, the global betting market resembles an unregulated financial marketplace, with the

15 Martyn Herman, “Tennis: ITF’s new pathway to help dreamers reach the top”, Reuters, February 19, 2019.
17 UEFA, “Benchmarking report highlights profits and polarisation”.
18 International Monetary Fund, “Real GDP growth: annual percent change”.
19 Ibid.

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22 According to the Council of Europe Convention on the Manipulation of Sports Competitions, illegal betting refers to “any sports betting activity whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located” (art. 3).
23 Sorbonne-ICSS Research Programme on Ethics and Sports Integrity, 2014. See also the chapter on the illegal betting market for further statistics and analyses.
main betting operators sheltered in “regulatory havens”, where some betting regulatory authorities impose only a few restrictions, if any. Products and prices are seldom controlled and in many jurisdictions operators may not be obliged to conduct due diligence regarding the profile of bettors and the origin of money, or to ensure that money-laundering, manipulation or betting addiction risks are assessed and managed. In this context, it can be easy to place a high number of fraudulent bets on a specific match, use cryptocurrencies as a means of payment and avoid detection by selecting favourable operators and jurisdictions and disseminating the bets across them.

Therefore, in the space of just a few years, technological innovation has transformed sports betting into a highly volatile, liquid and ill-controlled financial market. It has become possible to place large bets on a very wide range of sports involving primary and secondary competitions, professional and amateur sports, and with relative anonymity.

This evolution has also facilitated the activities of those involved in competition manipulation. By fixing results in advance and placing a larger number of bets on different platforms, sizeable sums of money can be won, at minimal costs and with negligible risk of being caught. Although there is a long history of the manipulation of sports competitions, the advent of online sports betting has exacerbated the scale of the phenomenon to the point that networks have been created at both the international and national levels to bribe, coerce and threaten referees, players and club officials to manipulate competitions to ensure given outcomes or events take place during a competition. Some cases have also shown how athletes and officials are the perpetrators of these activities, when they bet on competitions that they themselves are involved in. The number of alerts signalling the possibility of manipulation has increased significantly from the 2000s onwards, with the trend sparing no country, no discipline and no playing level.

Another related aspect has been the increasing commercial ties between sport governing bodies and the betting industry. In particular, the decision of some sport governing bodies to sign agreements with betting industry companies to sell exclusive data rights for sport competitions has raised concerns. An independent review of integrity in tennis following several allegations into match manipulation noted that:

> The advent of online betting and the sale of official live scoring data have greatly exacerbated the problem. The data sale contracts have made tens of thousands of matches available for betting, creating greater opportunities for players and officials to bet or act corruptly. It is now possible to place online bets on a wide range of contingencies in matches played at levels of the sport that cannot accurately be described as professional, and at which the risk of integrity breaches, by players, officials, and others, is likely greatest.

Similarly, the sponsorship of clubs by betting companies is creating further potential conflicts of interests and corruption avenues. In general, the institutionalization of legal (or tolerated) betting in sport has normalized betting behaviour and related risks and exposed players to manipulators. Another aspect linked to the normalization of betting throughout many societies is the high number of bettors within the population of athletes, in particular among football players.

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25 Ibid.
Although some attempts at regulation have been attempted, the case of a referee in the National Basketball Association basketball championship in the United States highlights how those with a gambling addiction can be vulnerable to approaches by organized crime, as does theCalcioscommesse football match-fixing scandal in Italy, where a player fixed several games to pay off gambling debts. 

1.4 THE IMPACT OF TECHNOLOGY: THE RISE OF E-SPORTS

Another technological evolution that has affected the sports landscape is the rise of e-sports. The Internet has enabled video game players from around the world to play against each other online. This activity has become increasingly professionalized and now includes e-sport competitions, which receive considerable media attention and attract large prize money and a growing pool of players and spectators. Globally, the e-sports audience is estimated to have grown from 281 million viewers in 2016 to 380 million viewers in 2018. The total is forecast to reach 557 million viewers in 2021.

While no consensus yet exists about whether e-sports can be considered a sport, many sports federations are investing in the activity, for example, by organizing virtual competitions of their own sports. Notably, IOC has announced the creation of the Olympic Virtual Series and e-sport will feature in the 2022 Asian Games. Several football clubs are also creating professional teams that compete in virtual competitions involving video games series such as FIFA and Pro Evolution Soccer. However, the regulation of e-sports integrity depends on the willingness of each game producer to allow the creation of specific rules and monitoring and control over the activity. E-sports is not regulated by a responsible global non-profit entity, as is the case with traditional sports. Although some attempts at regulation have been attempted by the International Esports Federation and the Global Esports Federation, e-sports are controlled by game publishers, which for the most part do not have these regulatory structures.

With these characteristics in mind, e-sports are particularly vulnerable to two types of corruption. Firstly, the competitive setting of e-sports tournaments and the stakes attached make them vulnerable to the same type of corrupt behaviour that is witnessed in traditional sports: cases of competition manipulation have been reported in e-sports. In 2020, the Australian police charged five e-sport athletes for competition manipulation offences. According to the Esports Integrity Commission, which seeks to involve e-sports actors in dealing with integrity issues, the global number of alerts related to e-sport competitions signals the possibility of competition manipulation being on the rise.

Secondly, the virtual nature of the medium makes it vulnerable to structural manipulation that can affect the essence of the game. Digital cheating (also called digital doping or e-doping) can help competitors to manipulate their data, as has been detected in several e-cycling competitions since 2019, or manipulate the playing platform and the software itself.

In common with betting, the technological innovation represented by the development of e-sports provides an opportunity for traditional sports to reach out to younger generations. If well managed, it can attract more participants and generate greater popularity and more revenue for sports organizations. The measures taken by different countries in relation to the coronavirus disease (COVID-19) have meant a significant decrease in sporting events and an increase in the supply of e-sports events. However, as the examples of digital doping and competition manipulation show, e-sports are also vulnerable to corruption and these risks should be closely assessed, monitored, prevented and mitigated. The absence of a single governing entity or architecture to implement regulation and monitor compliance makes such action more difficult.

1.5 THE ADMINISTRATION AND AUTONOMY OF SPORT

Sport is largely composed of organizations with private non-profit association status and which operate according to a private contractual legal framework, although they defend a public interest status, giving them a hybrid governance structure.
Figure II. Main Stakeholders in the International Sports Ecosystem

National

International

States

Athletes

Clubs

National Federations

International Federations

Continental Associations

International Public Organizations

WORLD ANTI-DOPING AGENCY

IOC

INTERNATIONAL PUBLIC ORGANIZATIONS

Relationship through Membership

Relationship through Recognition

Association of IOC Recognised International Sport Federations (ARISF)

Association of Summer Olympic International Federations (ASOIF)

Association of International Olympic Winter Sports Federations (AIOWF)

Alliance of Independent recognised Members of Sport (AIMS)

General Association of International Sport Federations (GAISF)

ASSOCIATION OF NATIONAL OLYMPIC COMMITTEES (ANOC)

NATIONAL OLYMPIC COMMITTEES

International Testing Agency

Court of Arbitration for Sport

General

International

General Association of International Sport Federations (GAISF)

Association of IOC Recognised International Sport Federations (ARISF)

Association of Summer Olympic International Federations (ASOIF)

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ASSOCIATION OF NATIONAL OLYMPIC COMMITTEES (ANOC)

NATIONAL OLYMPIC COMMITTEES

International Testing Agency

Court of Arbitration for Sport

General

International

General Association of International Sport Federations (GAISF)
In terms of tackling corruption in sport, while many reforms have been adopted and initiatives developed (see the section on institutional initiatives), sport associations clearly lack the capacities and powers of law enforcement agencies and criminal justice authorities. While they can go as far as to forbid participation in a sport activity that they regulate, which in and of itself is a significant deterrent for athletes, coaches and officials, the same cannot be said for those who are not subject to the relevant rules and regulations, but who nevertheless seek to exploit sport for illicit gains. In addition, unlike large multinational companies, many sports organizations lack the human and material resources to run comprehensive compliance programmes.

Sport governing bodies were created as non-profit entities to regulate private and, initially, predominantly amateur sporting activity. During the twentieth century, as sport competitions and activities grew in importance and jurisdictions developed sport regulations and instrumentalization strategies, the Olympic Movement adopted the doctrine of sport autonomy.40

The notion first appeared in the Olympic Charter in 1949 and was later refined as one of the fundamental principles of Olympism: “Recognising that sport occurs within the framework of society, sports organisations within the Olympic Movement shall apply political neutrality. They have the rights and obligations of autonomy, which include freely establishing and controlling the rules of sport, determining the structure and governance of their organisations, enjoying the right of elections free from any outside influence and the responsibility for ensuring that principles of good governance be applied.”41 This has served as a basis to exclude national Olympic committees from Olympic Games or national teams or federations from their respective international championships when States have interfered with their internal affairs.

However, IOC now proposes an approach based on “responsible autonomy”,42 in which appropriate governance processes and frameworks need to be enforced by sports organizations to avoid State interference in their internal affairs. However, sports organizations have acknowledged that the fight against doping, competition manipulation and other corruption and crime in sport cannot succeed without the help of States.

40 Jean-Loup Chappelet, Autonomy of Sport in Europe (Council of Europe, 2010).
2. MAIN CORRUPTION RISKS IN SPORT

This section examines the main corruption risks to sport that have materialized over the last two decades. Three main groups of risks are presented in this section and are outlined at length in subsequent sections of this report. However, this section does not purport to present a comprehensive overview of all corruption risks in sport, with information on other risks presented in detail in other sections of this report.

2.1 COMPETITION MANIPULATION

The manipulation of sports competitions can be understood as the "intentional arrangement, act or omission aimed at an improper alteration of the result or the course of a sports competition in order to remove all or part of the unpredictable nature of the aforementioned sports competition with a view to obtaining an undue advantage for oneself or for others."43

Changes in the betting landscape (described in greater detail in the section on competition manipulation and the section on illegal betting) have affected the risk of competition manipulation, in part because of the illicit profits that can be generated through illegal betting. The potential profits of such activity are enormous and when compared to other activities, such as drug trafficking or counterfeiting, the entry costs are low and the chances of being caught are slim.

Competition manipulation involves actors from inside and outside the world of sport. As such, while illicit activity does involve organized groups, in many cases, players, referees, club presidents and sport organization officials have played a significant role and even instigated such activity. For example, as the end of a season approaches, if a club has no sporting stake in a competition, the president could ask players to manipulate all or part of a game and then directly bet on the game. In 2004, the manipulation of a single game by FK Pobeda, a club from what was then the former Yugoslav Republic of Macedonia, was alleged to have generated 300,000 euros for the criminal organization involved.44 At the conclusion of the arbitrary proceedings, the Court of Arbitration for Sport upheld the decision of the appeals body of the Union of European Football Associations (UEFA), thereby banning the club from UEFA competitions for a period of eight years and imposing a life ban from any football-related activities on the former president of the club.45

As the FK Pobeda case shows, a club can sell information on a fixed game to criminal groups and place bets on the agreed outcome. By fixing a game even in a preliminary round of a major competition, a club can earn a large part of their annual budget.

Recent academic research has underlined the diversity of competition manipulation.46 Betting by athletes and players on competitions in which they are involved or have inside knowledge of is another example of a risk that can lead to competition manipulation. Athletes can become vulnerable...
to this type of activity, which is against sports rules, if they become addicted to betting or have financial difficulties. The passing of inside information\(^4\) to third parties represents another concern. Tips about a team’s tactics or a player’s health can be used to manipulate the betting market. For example, a former captain of the Zimbabwe national cricket team was banned by the International Cricket Council from all cricket for eight years following the disclosure of inside information for betting purposes.\(^4\)

2.2 Corruption within sports organizations

If the manipulation of sports competitions undermines the integrity of on-field performances, institutional corruption undermines the integrity of the organizations that regulate sports activities and events.

The awarding of hosting rights of major sports events is a case in point. In some federations, this decision is taken by a general assembly of members, who can be the representatives of national federations that belong to an international federation, or by individual members of an international sports organization. In other organizations, it is an executive body, composed of a limited number of officials, which holds the voting rights. While the scale and size of a given decision-making body affects how vulnerable it is to corruption, officials representing the countries or cities competing to host an event can seek to influence the decision-making process through corruption, such as by offering cash, gifts and other favours. Other institutional decision-making processes are often subject to conflict of interests and can be manipulated. The awarding of sponsorship or broadcasting rights, the nomination of officials to key positions, disciplinary rulings and the creation of new competitions are examples of the decisions that can be targeted by people engaged in corruption.

Furthermore, limited or inadequate transparency and accountability structures in sports organizations also increase the risk of corruption within a sports organization. In sport, there is a particularly strong emphasis on team or organization loyalty, in addition to a focus on athletic performance. Added to this is the risk of abuse. The perpetration of abuse in sport by officials is a result of a number of reasons, including a fear of speaking out due to the possibility of reprisals, complacency and the abuse of power by officials in positions of trust. These considerations can prevail over ethical reasoning, values and individual dissent, which can lead to situations of omertà.\(^4\) The risk of corruption in such environments where wrongdoing is tolerated or not reported is much higher than in those where strong transparency and accountability structures are in place.

Since the Salt Lake City Olympic scandal in 1999, an increasing amount of academic literature has been dedicated to explaining the phenomena of institutional corruption in global sport, although the lack of disciplinary and judiciary proceedings in relation to international bribery limits the information available for research. Analyses have been published by FIFA,\(^5\) IOC\(^5\) and IAFF,\(^5\) and by Task Force 4 of the International Partnership against Corruption in Sport,\(^5\) explaining how corrupt networks were sustained and how bribery laws have been used in a sport context. Another literary trend in relation to sport governance has focused on the analysis of the progress and limits of institutional anti-corruption (or “good governance”) frameworks.\(^5\)

2.3 Corruption risks linked to criminal infiltration

Another major corruption risk is linked to infiltration of criminal interests into sport (see the section on organized crime and sport for more details).

No sport is immune to infiltration by criminal interests, but football in particular has been targeted by organized crime groups as a convenient vehicle for money-laundering and profit-seeking activity. Substantial and often poorly controlled money flows connect a diverse range of actors (e.g. club officials, owners, shareholders, players, staff, sponsors, agents and lawyers) and the financial growth of the sport has made this framework increasingly susceptible to exploitation.\(^5\)
An example of this vulnerability is the way in which third parties can take control of a football club. Many clubs are heavily indebted and are looking for investors to reduce or pay off debts and to buy better players. Furthermore, the current economic hardships linked to COVID-19 look set to further increase the financial pressure on clubs. Hence, an offer to buy or invest in a club is often very much welcomed, even when it is made by investors with a dubious background, with many national federations imposing either only limited controls or no controls on the origin of investment capital and the background of third-party investors in the event of the acquisition or sponsorship of a club.

As soon as an investor with ill intentions takes control of a club, a wide range of opportunities for corruption opens to them. Direct access to players and staff offers many possibilities for manipulation and money-laundering. Regarding the latter, a club’s financial systems are susceptible to exploitation: for example, money generated from illegal activities can be laundered through gate receipts, whereby the numbers of spectators are artificially increased, or by inflating costs of construction projects such as those relating to training centres and stadium extensions.

The reasons for the infiltration of a club can also be non-monetary. Club owners are influential people. They can be public figures and hugely popular, and they can have direct access to local and national leaders. They can use this combination of public status, popularity and political influence to facilitate illegal activities.

The development of corruption risks and their consequences for the credibility of global sport has compelled sports governing bodies to implement a vast array of reforms and respond to threats to the integrity of sport. Beyond the need to protect their reputations and economic revenues, sports organizations have understood that it is their responsibility to ensure that their activities comply with applicable law and governance standards. In this sense, they have joined a trend for compliance and “good governance” culture that has spread among multinational companies since the 1990s, and which is promoted by international organizations such as the United Nations Office of Drugs and Crime, the World Bank and the Organisation for Economic Co-operation and Development, and by the Group of 20.

Governance standards cover management processes and decision-making processes within organizations. They are aimed at reducing the risk of corruption and other forms of malpractice, and at the same time, at improving the capacity of organizations to detect, investigate and sanction such activities. They also contribute to a culture of transparency and strengthen accountability with regard to direct stakeholders.

The subject of governance entered the sports realm following the Salt Lake City Olympic scandal in 1999 and was integrated into the Olympic Charter in 2004 (article 19.3.2). In 2011, the subject of governance was included in the first mission of the IOC: “To encourage and support the promotion of ethics and good governance in sport as well as education of youth through sport and to dedicate its efforts to ensuring that, in sport, the spirit of fair play prevails, and violence is banned” (article 2.1.).

As such, in the face of increasing corruption risks and heightened expectations in terms of governance, sports governing bodies have imported and adapted compliance tools, hired...
anti-corruption experts from the corporate sector and learned how to investigate and sanction acts of corruption. Today, although the main sports organizations have implemented governance reforms and introduced some form of integrity regulation, adequate governance remains a new feature.

One of the first steps taken by authorities to address corruption in sport was to publish ethics and integrity codes, which list prohibited behaviours alongside clear rules and responsibilities. The IOC Code of Ethics, first published in 1999 in the wake of the Salt Lake City Olympic scandal, covers acts of institutional corruption by “Olympic parties”. While the Code was first addressed to IOC members and national Olympic committees, similar codes have since been incorporated into the disciplinary regulations of all international Olympic federations and now cover all members of the Olympic Movement. In 2015, IOC approved the Olympic Movement Code on the Prevention of the Manipulation of Competitions, which has also been integrated throughout the sector.

Governance standards have also been promoted within sports, including through the Basic Universal Principles of Good Governance in the Olympic and Sports Movement, published by IOC in 2008. The Association of Summer Olympic International Federations (ASOIF) Governance Task Force was created in 2015 and the ASOIF Governance Support and Monitoring Unit was established in 2018. These entities selected 50 indicators that serve as governance and integrity standards, divided between five areas: transparency, democracy, integrity, development and control mechanisms. On this basis, the Governance Task Force reviewed the implementation of these indicators by international Olympic federations in 2017, 2018 and 2020, and will do again in 2022. The results have underlined where improvements are required in relation to global governance, while the indicators have become an industry standard that summer and winter Olympic international federations and others are encouraged to follow. Global sports bodies are also expanding their own compliance and awareness-raising programmes to encourage national constituents (national federations, national Olympic committees, clubs, etc.) to accept similar standards. For example, IOC, UEFA and FIFA are asking national federations to appoint integrity officers to act as contact points for integrity matters.

Today, the main international federations have an ethics or integrity commission and code and/or an administrative unit to deal with suspected cases of corruption. The role of these entities is to ensure the compliance of all sport actors with applicable disciplinary regulations and laws. There is also a trend towards developing and implementing reporting mechanisms to allow for the reporting of wrongdoing in sport (see the section on detecting and reporting corruption in sport), allowing anyone to signal any wrongdoing, with the hope of ending cultures of organizational silence that can exist in sport. Communication about the risks of corruption, applicable regulations and how to react when experiencing ambiguous situations is also increasingly carried out through face-to-face sessions, online teaching and social media messaging targeted at sports stakeholders.

Intermediaries have been key to the globalization of sport, given the roles they have played related to ownership, sponsorship and player transfers networks, particularly in football. Also known as agents, they can represent clubs and players, deal with player image rights, negotiate transfer agreements between clubs and carry out scouting tasks on behalf of clubs.

However, critics of the existing system governing the transfer of football players have underlined significant risks, including conflicts of interest, fraud, money-laundering and abusive behaviour by agents, intermediaries and advisers, who often fall beyond the disciplinary reach of sports organizations. In 2018 and 2019, several football agents operating in Belgium were arrested and charged with money-laundering and corruption. In order to address these risks, FIFA has developed new regulations on the status and transfer of players, new regulation on agents and new regulations for the purpose of establishing a clearing house.

The various initiatives highlighted above are part of a general framework of compliance and governance reforms that have modified the sports sector in recent decades. However, the effectiveness of the fight against corruption in sport depends on the cooperation and contribution of many stakeholders, including public authorities. In recent years, intergovernmental organizations and national authorities have mobilized and begun working with sports organizations in the battle against corruption in all its forms.

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59 IOC, Code of Ethics, 2020
65 Ibid.
The risk of corruption has grown alongside the globalization of sport. While the evolution of sport has been positive in many respects, it has also brought with it complex corruption risks that combine general risks, common to many different sectors, with sport-specific risks. For example, the Bochum match-fixing scandal included criminal infiltration of a football club, money-laundering and competition manipulation.

The difficulty of addressing corruption has been vividly highlighted by the negative impact of COVID-19, which has severely affected sport revenues. Many competitions at the professional and amateur levels have been cancelled and others are continuing in empty stadiums or in diminished formats, leaving sport organizations with less income and fewer resources. As a result, clubs, players and officials may be more vulnerable to approaches from those looking to exploit this situation, including organized criminal groups, by offering alternative revenues.66

Public authorities have only recently displayed interest in regulating against corruption in sport. The strategy of infiltrating organizations used by organized criminal groups to target sports entities poses a threat that States can no longer ignore. But corruption in sport cannot be considered as a purely exogenous threat. What has also attracted public scrutiny is the reach, scale and complexity of criminal networks within sport. Because these networks involve influential sport actors and institutions, because they stem from internal governance and compliance shortcomings, and because they undermine trust in the sector, corruption in sport has become a subject of public interest.
