

Business and the Economy

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FIFA: Cultivator of A Corruption Culture or Hapless Victims?

By: David Gomez, J.D. Candidate 2018 | April 12, 2016

FIFA, the international governing body of world soccer, has asked the United States for a return of money seized due to its implication in corruption scandals. The money it seeks totals over \$40 million in salaries, benefits, and misappropriated funds that were used as bribes and for other illegal activities. FIFA claims that they are just another victim of the corrupt members of their organization that used this money in exchange for favorable proceedings and kickbacks. They assert that the illegal actions of these individuals have hurt the FIFA name and public image, and that as a result, they are entitled to restitution. In doing so, FIFA finally admits the existence of corruption within their ranks.

This is a move that transcends the importance of money and helps FIFA patch up its public perception. The good news is that perceptions of corruption have continued to increasingly diminish as more corrupt individuals were charged less than 4 months ago. More broadly, this poses the question of how we define corruption within an organization. FIFA was evidently comprised of numerous corrupt individuals. However, they claim that the corruption of numerous individuals within their ranks does not implicate FIFA itself. With this legal restitution claim, they assert their place as innocent victims who have been negatively affected by those individuals' heinous actions.

The request for a return of the bribe money rests on whether corruption was a facet of the organization itself or just a few individuals spoiling the name of the bunch. Part of the United States' prosecution argues that individuals within the organization were corrupt and took advantage of their position within FIFA. Still, the prosecution does not accept that FIFA was itself just a naive victim. The prosecutors contend that although FIFA may now be suffering as a result of those corrupt individuals, their willful ignorance to the corruption precludes them from deserving the seized assets.

The idea of corruption existing in individual members, and not as part of the organization, has implications for other types of organizations as well. The Mandatory Victims Restitution Act, on which FIFA's claim relies, provides that one may be entitled to restitution for losses suffered as a direct result of the commission of a crime to which another party is convicted. The same legislation that FIFA is using, and this general line of thinking, has been used for similar purposes by financial services corporations when employees are convicted of insider trading or other illegal activities. These corrupt employees are sometimes called "faithless servants" because they engage in misconduct that breaches the duty of good faith an employee owes their employer.

It makes sense to allow victims of crimes some restitution when they suffer directly from convicted individuals. However, when corruption becomes widespread within an organization when it becomes so much a part of that organization and it is well-known that such corruption is enshrined within an organization's core actors—can it truly be said that any convicted corrupt



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individual member was acting as a faithless servant? Mike Ozanian, a sports and money journalist with Forbes, has said that rather than reward FIFA for their ignorance, "FIFA needs to be done away with." He suggested that the corrupt individuals we are seeing convicted are akin to the "buffers" of Michael Corleone taking the fall for the Godfather, with FIFA playing the part of the mafia. Ozanian believes that FIFA is just too big to exist.

For soccer fans angry about the governance of the sport they love, FIFA's request for the return of their bribe money is just another chapter in a corruption saga that has dragged on for decades. Still, fans will put all of this corruption out of mind as they continue to tune in, follow their team, and watch the beautiful game play out.