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Fifa urged to adopt rotating presidency in post-Blatter era

Ralph Atkins in Zurich and Malcolm Moore in London



Domenico Scala, head of Fifa's audit and compliance committee

Fifa should move to an EU-style rotating presidency to avoid future corruption scandals and because there are so few credible candidates to replace Sepp Blatter, according to the head of the body's audit committee.

Domenico Scala said the six football confederations, representing the main global geographical regions, could take turns to lead world football's governing body, which is based in Zurich.

Such a move would "address a number of governance issues", he told the Financial Times in an interview in which he set out his proposals to reform the scandal-hit institution. If implemented, the reform would prevent any one individual from controlling international football in the way Mr Blatter did for 17 years.

Mr Scala, who said he was setting out his reform ideas to set a "benchmark", was speaking as Fifa confirmed an election to choose Mr Blatter's successor would be held on February 26.

Mr Blatter and Michel Platini, Uefa president and originally the favourite to succeed him, were suspended for 90 days by Fifa's ethics committee this month after the Swiss authorities opened a criminal investigation into a SFr2m payment from Fifa to Mr Platini in 2011. The move in effective ended Mr Blatter's career at the top of world football, although Uefa declined to suspend Mr Platini.

Mr Scala said Mr Platini could enter the leadership race at a later date, subject to an integrity check. But, he said, the "very short list of candidates for the presidency" was a reason for reforming Fifa's leadership.

In future, Fifa presidents could hold office for two to four years, he suggested: "Every system which diminishes the power of individuals, and creates checks and balances, reduces the risk of misconduct. It would help eliminate the 'old boys' network' and better represent the diversity of football worldwide."

Fifa was thrown into turmoil in May with the arrest of seven officials in Zurich and US allegations that executives took bribes of \$150m in a culture of "rampant, systemic and deep-rooted" corruption.

With Quinn Emanuel, the US law firm, also conducting internal investigations into Fifa's activities, Mr Scala warned that more revelations about misconduct were likely. "You cannot exclude that more things might be found," said the former finance chief at Syngenta, the Swiss agribusiness group.

The Swiss authorities' investigations have focused on a SFr2m payment made in 2011 by Mr Blatter to Mr Platini, allegedly for work

performed between 1999 and 2002. Mr Scala said the agreement had not been recorded in Fifa's accounts until the payment occurred.

"That is a serious omission, and both parties were members of Fifa's executive committee and knowingly approved each year financial statements, which were incorrect by SFr2m. That could be seen as falsification of the accounts."

As well as heading Fifa's audit committee, Mr Scala is also chairman of its ad hoc election committee, which will decide on the eligibility of candidates for the presidency. No decision would be taken on Mr Platini while his suspension remained in place, he said. That meant Mr Platini could, in theory, still have time to secure the necessary approvals before the February 26 contest.

Mr Scala last month published a paper on possible Fifa reforms, which included limiting the time football officials could remain in office and steps to reduce the power of the confederations.

Fifa's executive committee should also be overhauled to create a governing board and a management board, Mr Scala told the FT. "This would split oversight and strategy from commercial activities and day-to-day activities. Because Fifa officials today have two or three responsibilities, there are inevitably conflicts of interest," he said.

"If we implemented my reform proposals, we would have a well-run institution," he added. "Fifa is obliged to deliver. If it doesn't, it has no chance of changing perceptions about the institution. Doing nothing is not an option."

The official committee that is laying out Fifa reforms gave its preliminary findings on Tuesday, saying the organisation's executive committee, its main decision-making body, should be stripped of executive power and instead "oversee strategic matters".

It compared the future role of the Fifa president with that of a company chairman, while the organisation's general secretary would be its chief executive in charge of day-to-day management.

The committee — headed by Francois Carrard, the former International Olympic Committee director-general, who helped steer that body through its own corruption scandal in 1998 — said Fifa should impose a 12-year term limit and an age limit of 74 on its president.

In addition, senior officials should disclose their remuneration, and grants for developing football, which have allegedly been used as bribes in the past, should be audited by three independent committee members, it said.

"It is abundantly clear that football fans and our commercial partners will no longer accept anything short of full transparency in how football is governed," a statement from the reform committee said.

Timeline

May 2015

- US indicts nine Fifa officials and five business people on corruption charges linked to footballing activities in North and Central America and the Caribbean.
- Swiss open separate criminal proceedings into alleged bribes linked to bidding process for hosting the 2018 and 2022 world cups.
- Sepp Blatter is re-elected for another term as Fifa president but changes his mind a few days later, saying he will lay down his mandate.

July

- Fifa announces that the election for the presidency will take place on February 26 and launches a reform process.
- Michel Platini, the head of Uefa, says he will run for the Fifa presidency.

September

- Jerome Valcke, Fifa's general secretary, is suspended after allegations he profited from ticket reselling. He denies the allegations.
- Swiss authorities announce criminal proceedings against Mr Blatter.

October

- Coca-Cola, McDonald's, Visa and AB InBev call for Mr Blatter to stand down.
- Fifa's ethics committee suspends Mr Blatter, Mr Platini and Mr Valcke from all footballing activities.

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Transcript: Interview with Domenico Scala



The following is a transcript of an interview with Domenico Scala, chairman of Fifa's audit and compliance committee and ad hoc election committee, conducted by Ralph Atkins on October 19 2015

RA: Do you think we have seen the end of revelations about corruption at Fifa?

DC: I don't think so — that's my personal assessment. But the term "Fifa" is used wrongly. Fifa is a legal entity in Switzerland, which is a damaged party under the US and Swiss investigations.

The misconduct relates to people in their functions in confederations or member associations. But three cases lately have related to Fifa, involving Sepp Blatter, the president, Michel Platini, the vice-president, and Jérôme Valcke, secretary-general.

RA: When you say there may be more revelations to come, to what are you referring?

DC: We have investigations under way by the US Department of Justice, by the Swiss attorney-general, the investigatory chamber of the ethics committee and internal investigations by Quinn Emanuel [The US legal firm]. You cannot exclude that more things might be found.

RA: Fifa's executive committee met on Tuesday. Will it discuss postponing the election of a new president?

DC: The possible postponement of the election congress [February 26] was not on the agenda.

RA: Should it have been?

DC: I don't think it should be postponed. The election should run as scheduled. I don't think that Fifa should change its schedules according to individuals' circumstances.

RA: Could Michel Platini still be an eligible candidate?

DC: Where candidates have submitted their candidacy in due time and in the correct form — as Mr Platini has — the ad hoc election committee will not process them while a provisional ban is in place. That means we will neither decide to admit nor to dismiss his [Mr Platini's] candidacy.

RA: By when will candidates have to be either approved or not approved?

DC: The ad hoc electoral committee will decide this at a later stage.

RA: So you could decide even the day before the February 26 congress?

DC: It will have to be decided before that, but we have decided to be neutral as long as a provisional ban is in place.

RA: If after 90 days, the ban is lifted on Mr Platini, would he still have time to be a candidate?

DC: In theory, the answer is “yes”. But we would have to go through the entire process, including an integrity check.

RA: Politically, can he still be a candidate?

DC: That is not for me to assess. I remain completely neutral on this topic.

RA: Can he campaign if he is not an approved candidate?

DC: He is banned from all football related activities.

RA: Another possible candidate, Sheikh Salman bin Ebrahim al-Khalifa, has attracted criticism from human rights groups. Would he be eligible or not?

DC: I cannot give any answer to that. He would be subject to an integrity check. Everybody goes through exactly the same process. I will not express a judgment at this stage.

RA: There seems to be shortage of candidates at the moment?

DC: That is also not my problem. Whether it’s good for Fifa is another question.

RA: With all the suspensions we have seen, is Fifa still functioning as an organisation?

DC: Operationally, I see no problems. Tournaments are going ahead. Of course, Fifa needs political and strategic leadership — there is no doubt about that. So it needs a president, but operationally things are very much under control.

RA: You, along with Fifa’s general counsel and the chairman of the investigatory chamber of Fifa’s ethics committee, are familiar with Quinn Emanuel’s investigations. Can you give a flavour of what they are revealing?

DC: Quinn Emanuel faces no restrictions. They will investigate, and they will go where the evidence leads. If there are suspicions, or evidence of misconduct, they will produce the necessary documentation. Criminal misconduct will be reported to the authorities and any breach of the code of ethics will be reported to the ethics committee. If there are breaches of compliance rules, they will be reported to me.

RA: Can you tell us more about the SFr2m “disloyal payment” that Mr Blatter is suspected by the Swiss authorities of having made in 2011 [to Mr Platini] at the expense of Fifa?

DC: Based on my knowledge, there was no written contract regulating the payment of SFr2m, which was paid in 2011. In any normal business, there would be a written contract. However, the main point is not whether a written contract exists or not. The key points are a conflict of interest and the non-accrual of the SFr2m in Fifa’s accounts. Both parties admit that there was an agreement about the SFr2m, but that amount was never recoded in Fifa’s accounts until the payment occurred. That is a serious omission, and both parties were members of Fifa’s executive committee and knowingly approved each year financial statements which were incorrect by SFr2m. That could be seen as falsification of the accounts.

RA: Have you had a satisfactory explanation for this payment?

DC: I am not part of the investigation. I have only seen what has been in the media. One explanation I have seen is that Fifa was not in a position to pay. Another is that it was not paid at the time, because it would have been more than the secretary-general was paid. Both explanations are irrelevant. What is overlooked is that both parties in that transaction were members of Fifa’s executive committee when that payment occurred. So both had a conflict of interest and should have recused themselves from that decision.

RA: The US Department of Justice has talked of “rampant, systemic and deep-rooted” corruption across world football. Do you think that is fair description?

DC: It is not for me to judge whether this is fair or not. It is their concept.

RA: Why was the Fifa organisation so prone to corruption?

DC: Monopolies are always at risk of corruption. There is only one seller of the product. There is no competition. If you want the rights you have to use whatever activities you believe appropriate.

RA: How do you address that problem?

DC: There are no easy answers. Decisions on where World Cups are hosted are at risk of becoming corrupted. So you have to enlarge the number of decision makers. That is why Fifa has already decided that hosting decisions should be taken by Fifa's congress [which includes all 209 national football associations] in an open vote and not by the executive committee in a secret vote.

Regulations have also been changed for hosting countries. In the past, they had to prove they were supporting football activities outside their country — which meant they supported activities in countries where there was a representative on Fifa's executive committee. That requirement has been taken out completely. Today, the regulations say a host country cannot support any development in football activities in other countries in the four years before and four years after a World Cup. It is a fundamental change.

RA: You have also proposed term limits on top football officials and integrity checks. But if corruption arises because Fifa is a monopoly supplier, will your reform proposals be enough?

DC: You do also need new governance rules. Term limits and integrity checks are important in my reform proposals, but the main proposal in my reform paper is the reform of the executive committee to create a governing board and management board. This would split oversight and strategy from commercial activities and day-to-day activities. Because Fifa officials today have two or three responsibilities, there are inevitably conflicts of interest.

RA: But how do you control the power of the confederations — which are not part of Fifa but elect executive committee members?

DC: I have proposed executive committee members should be elected directly by the Fifa congress. When they are sent by confederations, you can question their accountability and loyalty towards the Fifa organisation. Direct election by congress would increase their accountability.

RA: How do you rate the chances of your reform proposals being adopted?

DC: I am an optimist. By publishing my reform proposals, I have set a benchmark.

RA: Given the challenges facing Fifa, though, do you not think we'd be better starting afresh, with a new Fifa?

DC: Fifa has taken a number of reform steps, if we implemented my reform proposals, we would have a well run institution. Fifa is obliged to deliver. If it doesn't, it has no chance of changing perceptions about the institution. Doing nothing is not an option.

One idea for reforming the presidency of Fifa which has not been discussed so far would be to introduce a rotating presidency. Why do we need to focus on one person who would lead Fifa for the next eight or 12 years, whatever the term limits are? Why not have a presidency which rotates every four years? Presidents could be nominated by the six confederations. Each confederation would have the right to have a president for, say, four years. Such a model is used in other institutions — the European Union, for example. It would, I think, address a number of governance issues. This could also be considered a possibility for Fifa given that there is a very short list of candidates for the presidency.

RA: So confederation presidents would take turns at being Fifa president?

DC: The term could also be shortened to two years, for instance. But such a reform would mean a fairer representation of the confederations and the different regions of the world. Why should a European run Fifa for the next 12 years?

RA: How would a rotating presidency solve the problem of corruption?

DC: It would diminish the power of an individual president. Every system which diminishes the powers of individuals and creates checks and balances, reduces the risk of misconduct. It would help eliminate the "old boys network" and better represent the diversity of football worldwide.

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