FIFA scandal:

Switzerland approves US extradition request of Eugenio Figueredo

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The legal case

The Swiss authorities raided the hotel Baur au Lac in Zurich on 27 May 2015 and the US Department of Justice subsequently presented a formal indictment against nine current and former FIFA officials as well as five marketing executives over allegations of fraud, bribery and money laundering. Since the corruption scandal broke in the news, many new pieces of evidence have surfaced and different angles to the story are being explored both by the media and the authorities. This article will critically analyse the criminal investigation into several current and former FIFA officials, with a focus on the issues of legal jurisdiction by way of the pending extraditions, as well as on the seemingly untouchable FIFA president, Sepp Blatter.

The primary individuals charged with the various counts of corruption are Jeffrey Webb, Eugenio Figueredo, Eduardo Li, Julio Rocha, Costas Takkas, Jack Warner, Nicolás Leoz, Rafael Esquivel, José María Marin, Alejandro Burzaco, Aaron Davidson, Hugo Jinkis, Mariano Jinkis, and José Margulies (United States District Court Eastern District of New York, 2015). These were their official posts within FIFA at the time of the arrest:

- Webb and Figueredo: vice-presidents of FIFA
- Li: an executive of CONCACAF (the continental governing body of North, Central American and Caribbean Football Association) and former president of the Costa Rican soccer federation FEDEFUT
- Rocha: former president of the Nicaraguan soccer federation FENIFUT
- Takkas: an attaché to the CONCACAF president
- Warner: former vice-president of FIFA and president of CONCACAF
- Leoz: former president of South American Football Confederation CONMEBOL
- Esquivel: president of the Venezuelan soccer federation FVF
- Marin: president of the Brazilian soccer federation CBF
The other five individuals arrested were sports marketing and broadcasting executives accused of conspiring with the FIFA officials named above. The Department of Justice claims they were involved in creating fictitious “consulting services” agreements to give false legitimacy to illicit payments, of using financial intermediaries to facilitate these payments and of structuring these transactions in a way so they could bypass currency-reporting requirements (United States District Court Eastern District of New York, 2015). The indictment report further mentions the use of shell companies and numbered bank accounts in various tax havens throughout, with a significant number of transactions flowing through US banks and financial institutions. According to the Wall Street Journal (Viswanatha et al., 2015), these illegal activities were being undertaken over the span of 24 years and involved the exchange of hands of over $150 million in bribes, as well as the accumulation of multi-million dollar profits for the accused individuals. If convicted, the accused individuals are likely to spend many years in prison.

Pending extraditions

The US Department of Justice has placed requests for extradition to the United States for seven of the arrested individuals. After Jeffrey Webb agreed to a simplified extradition process to the United States in July, the Swiss Federal Department of Justice on Thursday, 17 September formally approved the request of the US authorities to extradite Eugenio Figueredo (Bruppacher, 2015). The approval of the extradition request appears legally justified, especially considering that the crimes Mr Figueredo allegedly committed are punishable under US as well as Swiss law, but the lawyer of the defendant announced that his client would appeal against the judgment at the Swiss Federal Criminal Court (Bruppacher, 2015). Figueredo is not only being accused of various forms of racketeering on behalf of FIFA, but also of having forged medical documents in 2005 and 2006 to obtain US citizenship.

Currently, there are five other individuals waiting for a decision on pending extradition requests detained in Switzerland: Eduardo Li, José Maria Marin, Julio Rocha, Costas Takkas, and Rafael Esquivel (Swiss Department of Justice, 2015). In the case of Julio Rocha, the process is slightly more complicated, as Nicaragua has also placed an official extradition request at the Swiss Department of Justice, and the latter now has to decide which request to approve (Bruppacher, 2015).
World Cup 2018 and 2022 in question – US extraterritorial jurisdiction?

Both the FBI and the Swiss authorities are now investigating the legality of the voting practices that awarded the 2018 World Cup to Russia and the 2022 World Cup to Qatar. Although changing the location of the 2018 tournament on such short notice is practically impossible in logistical terms, it is possible that there could be a re-opening of the bidding process on hosting the 2022 World Cup, since there have already been several corruption scandals as well as a human rights scandal about the treatment of migrant workers in Qatar (BBC, 2015).

Russia has been rather vocal about its stance towards the US investigation. Shortly after the arrests in Zurich, a spokesperson of Russia’s Foreign Ministry publicly questioned the legality of the United States’ claim to extraterritorial jurisdiction, and called on Washington to refrain from attempting to apply its laws “far beyond its borders” and instead “follow the generally accepted international legal procedures” (Standish, 2015). Indeed, the application of US jurisdiction in a case that involves a Swiss association with headquarters in Zurich and individuals that are overwhelmingly from Central and South American countries is quite interesting. Stuart H. Deming (2015), a former prosecutor for the US Department of Justice and an expert on anti-corruption law, argues however that the US jurisdiction in this case is entirely legal, seeing as seven defendants in the case were either citizens of the United States, permanent residents or they owned residences in the United States (Deming, 2015). Furthermore, the alleged use of the US banking system to conceal the defendants’ illegal activities is extensive, and CONCACAF, the North, Central American and Caribbean Football Association, appears to be involved in much of said conduct (Deming, 2015). With all these considerations in mind, it seems perfectly legal, even logical, that the United States would spearhead an investigation of FIFA’s activities.

The mystery around Sepp Blatter

There are still many question marks and loose ends in this case, yet there is one particular person that has thus far managed to elude the heavy charges of the US Department of Justice. Sepp Blatter has been serving as the president of FIFA since 1998, and was in fact re-elected just after the scandal broke in May, though he announced he would step down in February as media criticism mounted. Despite various past accusations of corruption, Blatter continues to claim that his hands are clean.
In the US indictment report against the 14 individuals named above, his name is mentioned not once, which is surprising considering the monumental influence he wields in the organisation. Last week however, the Swiss attorney general confirmed that the authorities uncovered a contract dated 2005 involving the sale of World Cup TV rights to the former FIFA vice-president Jack Warner “for a fraction of their true value”, from which Warner is suspected of having made a profit of £11 million flowing into his accounts (Gibson, 2015). Since said contract bears Blatter’s signature, this new piece of evidence in the huge corruption case has put the FIFA president closer into the spotlight and will undoubtedly be taken into consideration as part of the on-going investigation.

The entire FIFA scandal is an appalling case of both corporate and white-collar crime, since the individuals are accused of “engaging in various criminal activities, including fraud, bribery, and money laundering, in pursuit of personal and commercial gain” (United States District Court Eastern District of New York, 2015: 29). It can be expected that this case will drag on for months to come, with new pieces of evidence surfacing periodically and shedding more light on the obscure operations of the world soccer governing body. The extensive investigation is a big step forward, and demonstrates the political will of countries to criminally prosecute a global enterprise such as FIFA, whose alleged systematic manipulation of world soccer appears deeply entrenched in the processes and systems of the organisation. The full extent of the illegal activities within FIFA has yet to be uncovered.
References


