A FRESH START FOR FIFA?
Can football’s governing body seize the opportunity for reform?

The election of Gianni Infantino on 26 February 2016 as the new President of FIFA represents perhaps the last chance for world football’s governing body to repair its reputation and embrace wide-ranging reforms. Yet this will not be easy and will require total commitment to wide-spread cultural and structural changes within this complex and tainted organisation.

There can be little doubt that Gianni Infantino faces an uphill task to overhaul FIFA’s battered reputation. The administrator, who has been at the European governing body UEFA for the past fifteen years, promised in his acceptance speech to “bring football back to FIFA”, but first must lift it off its knees following a period of chaos and crisis.

Andrew Durant, Senior Managing Director in our Forensic Investigations practice in London, considers the steps FIFA needs to take if it is to regain trust, confidence and credibility among all its stakeholders.

The US and Swiss investigations looking into allegations of a ‘World Cup of fraud’, precipitated by the decision in 2010 to hand the 2018 and 2022 World Cup finals to Russia and Qatar, are continuing and senior executives have been arrested on charges of money laundering and corruption. Sponsors have disassociated themselves and revenues have plummeted, with a $550m financial black hole urgently in need of being filled.

Yet the election of Infantino offers a glimmer of hope. He is untainted by past scandals, nor by any association with Sepp Blatter’s regime. He has clearly demonstrated his abilities as a football administrator with UEFA, having made considerable progress in many areas and achieved a number of successes during his tenure. He will bring a level of professionalism which FIFA requires at this stage.

Yet FIFA will not be easy to reform. And paradoxically, at the heart of the problem is the undeniably democratic nature of the organisation, in which each of the 207 member countries has a single vote.

Each of these members has a different motivation for their involvement in FIFA. Some members are self-funding, so they care about the integrity of the competition and the
continued growth of the world game and the associated benefits such as greater participation, increasing fan bases and commercial success. Other members are tiny and will never qualify for a World Cup, nor realise the commercial gains. So their focus is on receiving development money from FIFA so that they can continue to run their community programmes.

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This inherent tension is how Sepp Blatter built his power base and enjoyed such a long tenure of success, and has led directly to the corruption and scandals of recent years. The challenge now is how to clean up the organisation and limit the possibilities for corruption, while maintaining the flow of money to the smaller member countries.

So how should Infantino tackle these issues? There are a number of clear opportunities which can be identified, some of which he did pledge in his election manifesto.

Replace the old guard. Infantino has promised to bring in a new executive council to replace the current incumbents, and it is critical that this takes place as soon as possible. However, will the new guard be better than the old guard? Given that many of them will have been part of FIFA for years, they may themselves have “skeletons in the closet”. Therefore, over time Infantino will need to work on bringing completely new blood into the administration of the game.

Introduce “non-executives”. FIFA may wish to consider bringing in outside business leaders to act as ‘non-executives’ to lend their expertise and business skills. This is a well-trodden path in the business world and brings some independent oversight to boards with a view to “keeping them honest.”

Separate decision-making powers from the President. Decision-making powers must be taken from the President, who should perform a more ambassadorial role, and given to the CEO to carry out on a day to day basis.

Full transparency of pay and commercial contracts. It is noteworthy that Infantino has promised that FIFA will publish its full financial accounts for the past year. This will not only show an expected loss, but will also reveal, for the first time, how much Sepp Blatter was paid, as well as the executive salaries. Any published figures should also be subject to independent audit. This “full transparency” should also apply to all member associations. Any associations which fail to comply should be suspended pending full disclosure and audit.

Shorten the length of the presidential term. FIFA has been served by eight presidents since its foundation 102 years ago. Prior to Sepp Blatter leaving his post, the body had only three presidents in 54 years. Although the term has been capped at 12 years, or three terms, this still does not follow best practice and the limit should be reduced further to two terms for all senior elected members. Furthermore, once terms have been served, individuals should not be able to re-stand for election in future years, after a gap or in any other capacity.

Clean out individual member associations. FIFA can no longer tolerate any hint of corruption or poor behaviour by its members. For far too long the leadership has turned a blind eye or was potentially complicit in such behaviour, and it must now adopt a zero-tolerance approach. FIFA must run independent integrity and background checks on every member, and these results should be published externally.

Create a gifts and entertainment register. Any hospitality or gifts received by members of FIFA or member associations must be disclosed, and these records should be publically available. This will help to counter any conflicts of interest.

Encourage whistleblowers. FIFA must be willing to engage with whistle-blowers and encourage them to talk, perhaps by setting up a hotline or other reporting system. To date, whistle-blowers have not been treated in accordance with accepted norms. Individuals must be guaranteed anonymity and protection if they do decide to engage with the senior leadership.

Sponsors must play their part. In December 2015 five sponsors sent a letter to FIFA demanding “independent oversight” of reforms. This call was repeated upon the election of Infantino, and every sponsor must continue to press for reforms. No matter how large the commercial benefits, no company wants to be tarred by association, and they must also be willing to walk away from FIFA if the reforms are not introduced.

The recommendations referred to above are nothing that should be considered “out of the ordinary”. In fact, this is all normal practice in the business world. As FIFA and its member organisations are nowadays more akin to commercial businesses, they should adopt the same “best practices” that we would expect of such entities.

If FIFA’s reputation is to be restored, as Infantino promised in his victory speech, there is a very long way to go and will require a complete reversal of the prevailing culture and organisational structure. It will need strong leadership and a clear vision. We will be watching in expectation and hope.

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