



FIFA'S
COMPLIANCE
FAILURES

A Graphic Novel by TRACE

What non-profit organization?

- Has over a billion in reserve?

- Surrounds its leadership in luxury?

- Had nine of its leaders indicted recently?

FIFA

What is FIFA's mission?
"The constant improvement of football"



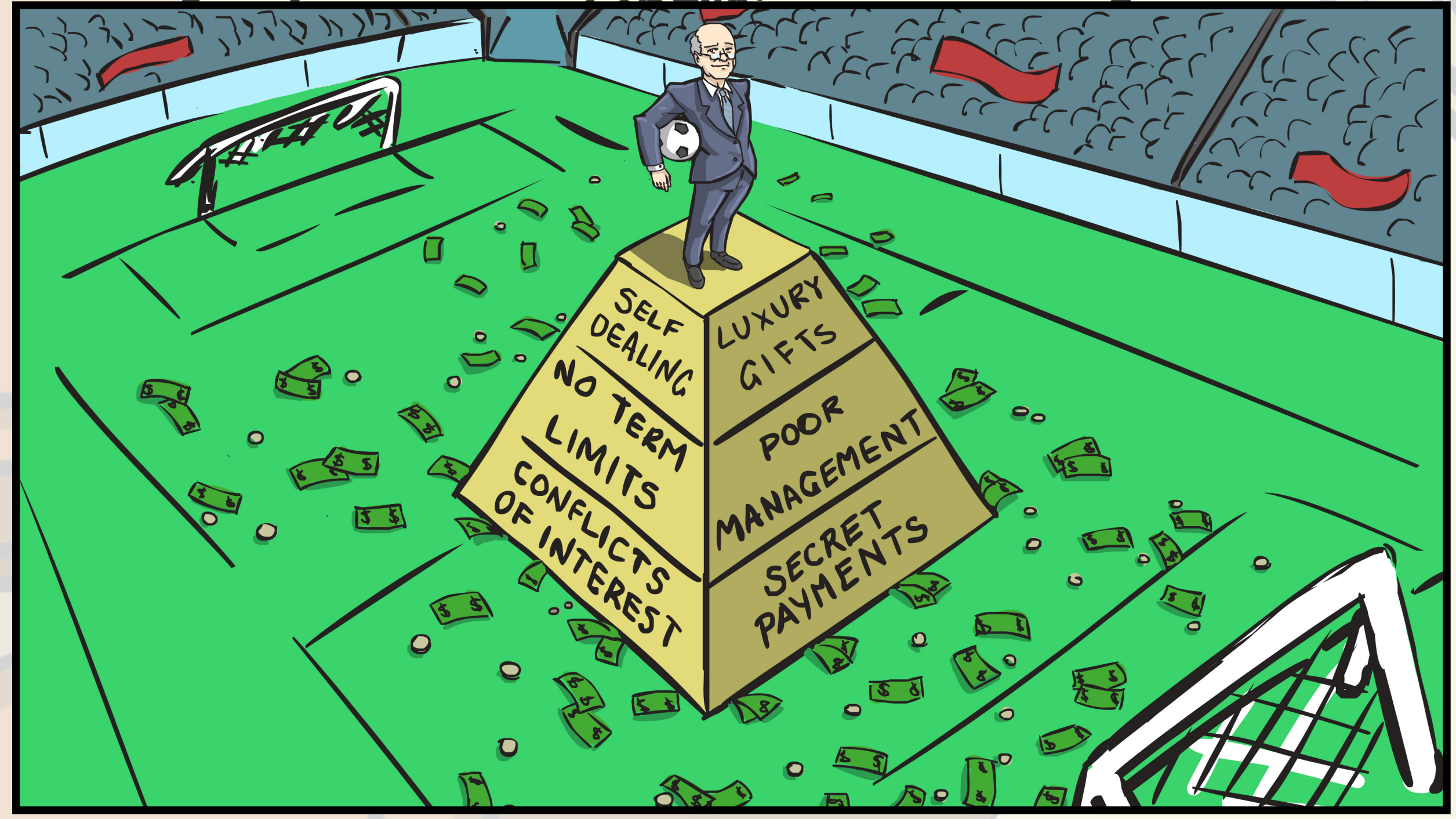


What is FIFA's legacy?
Secrecy, self-dealing and scandal.

FIFA has become world-famous for terrible governance and near-constant scandals.

Terrible governance
near-constant scandals

TRACE illustrates just how badly things can go wrong when organizations ignore good governance. But it is not just the events that we read about. It is the decisions, actions and environment that allowed misconduct to flourish.



FIFA was started to advance the game of football and organize international competitions.

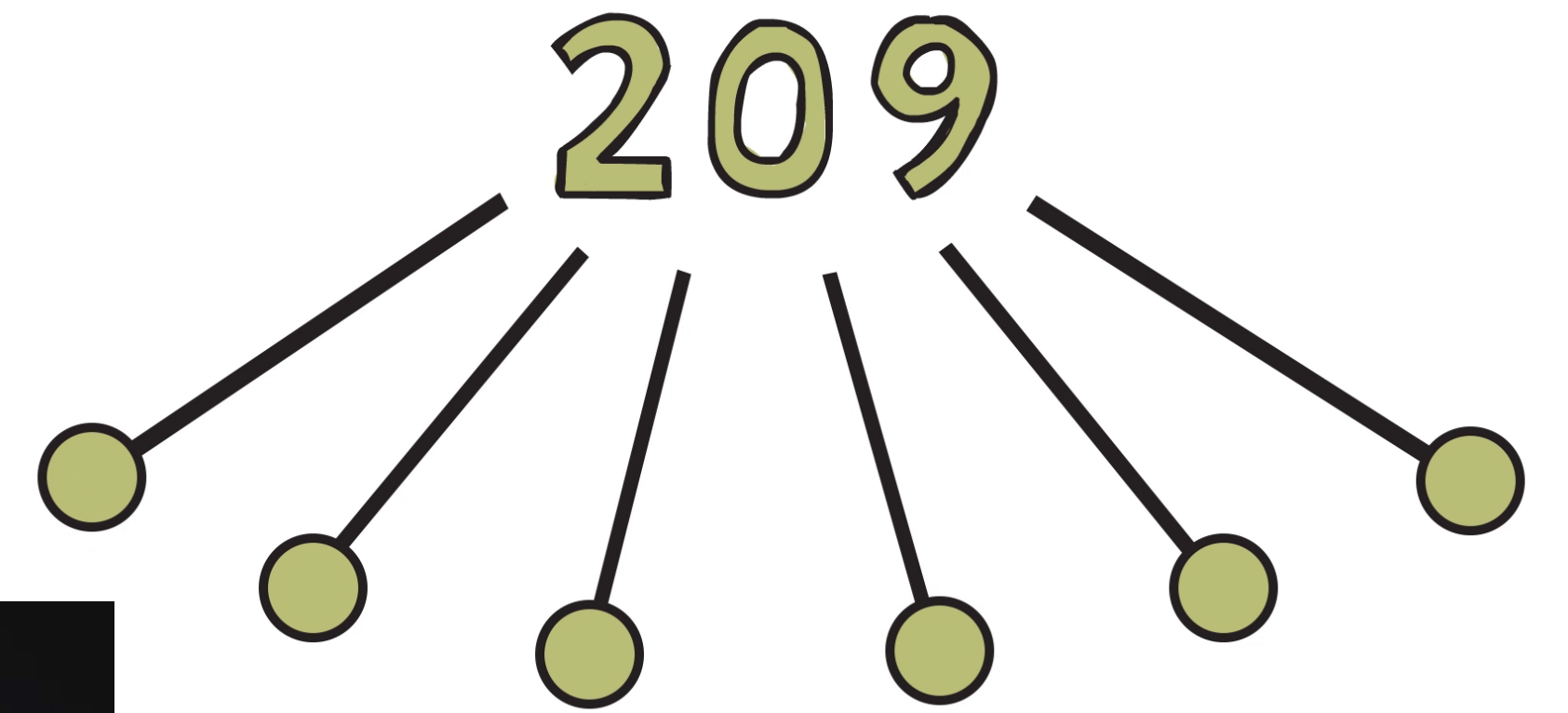


Today, FIFA is responsible for organizing the lucrative World Cup.

Most of their money comes from television rights and corporate sponsorship.



209 Member Associations are organized into six Confederations.



But major decisions are made by a tiny group of privileged leaders accountable, it seems, to no one.

Management sets the tone
for an organization.



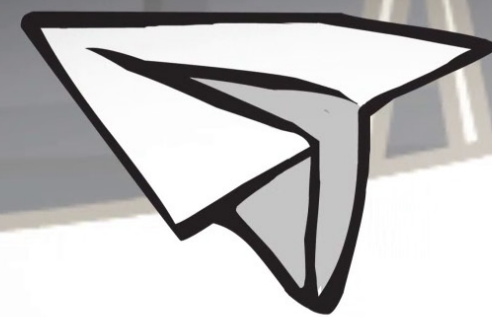
--temporary suspensions,
lifetime bans--



At FIFA, we've seen
arrests, guilty pleas--

--and abrupt resignations – all
at the highest level.

There are still a few leaders standing.
Did they know their colleagues were
using FIFA for their own benefit?



OWN
BENEFIT

IF they didn't know,
what were they doing?



Executives have a responsibility
to ensure the organization is run
competently. *That's why they're there.*



Did management notice that their colleague Chuck Blazer lived in a luxury Manhattan condo in Trump Tower--



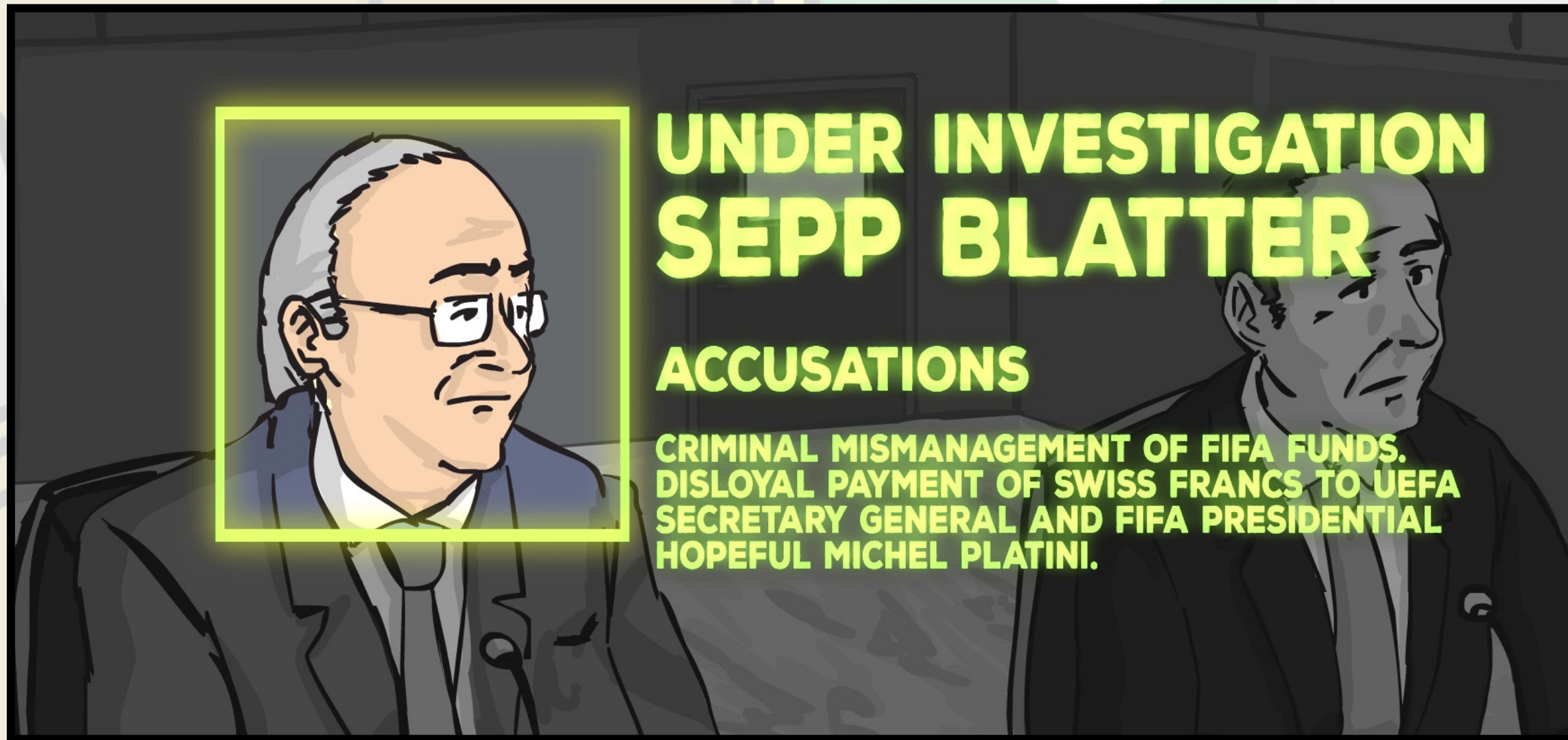
--with a second condo for his cats?





Were they surprised when the company partly owned by the president's nephew received a big contract from FIFA?



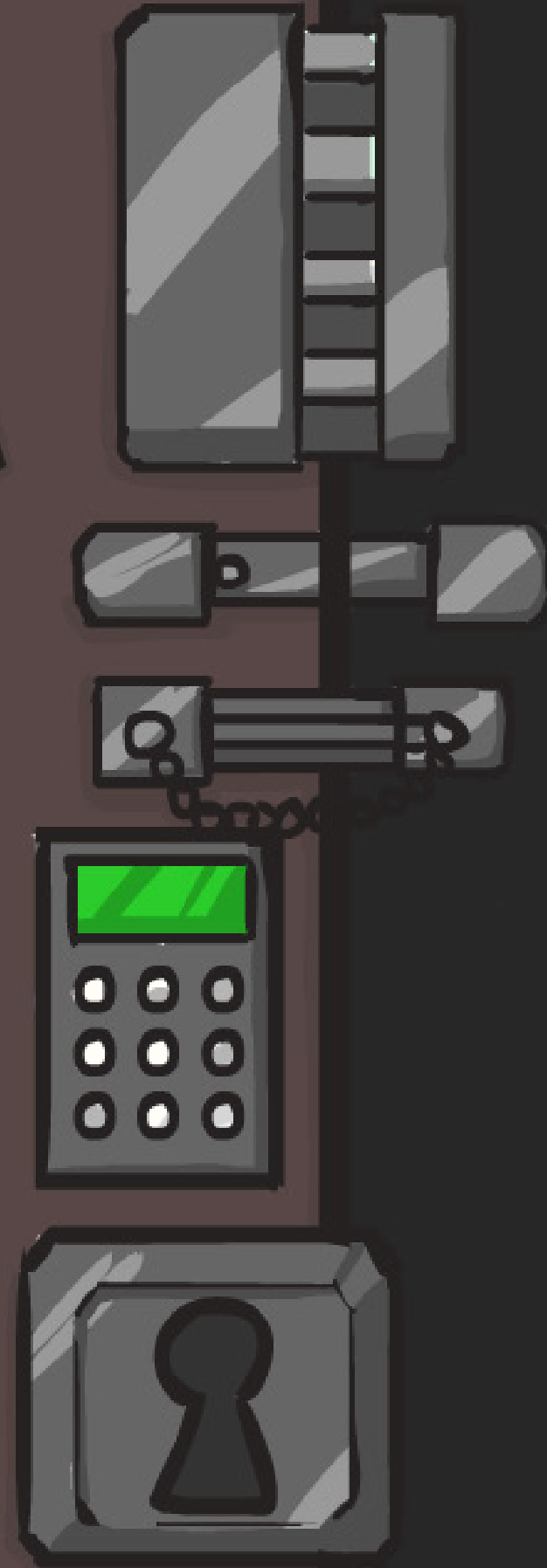


Now, the president of FIFA himself is the target of a criminal investigation in Switzerland, but the tone he set at FIFA continues.

He has been temporarily suspended pending the investigation. His offices have been raided and his documents seized.

The whole world is shifting towards more commercial transparency. But FIFA operates in great secrecy--

FIFA



--secret meetings, secret votes, secret deals, secret minutes, secret expenses and... secret compensation.

There are no real controls in place to prevent self-dealing by FIFA executives. There is no meaningful process to uncover conflicts of interest.

FIFA



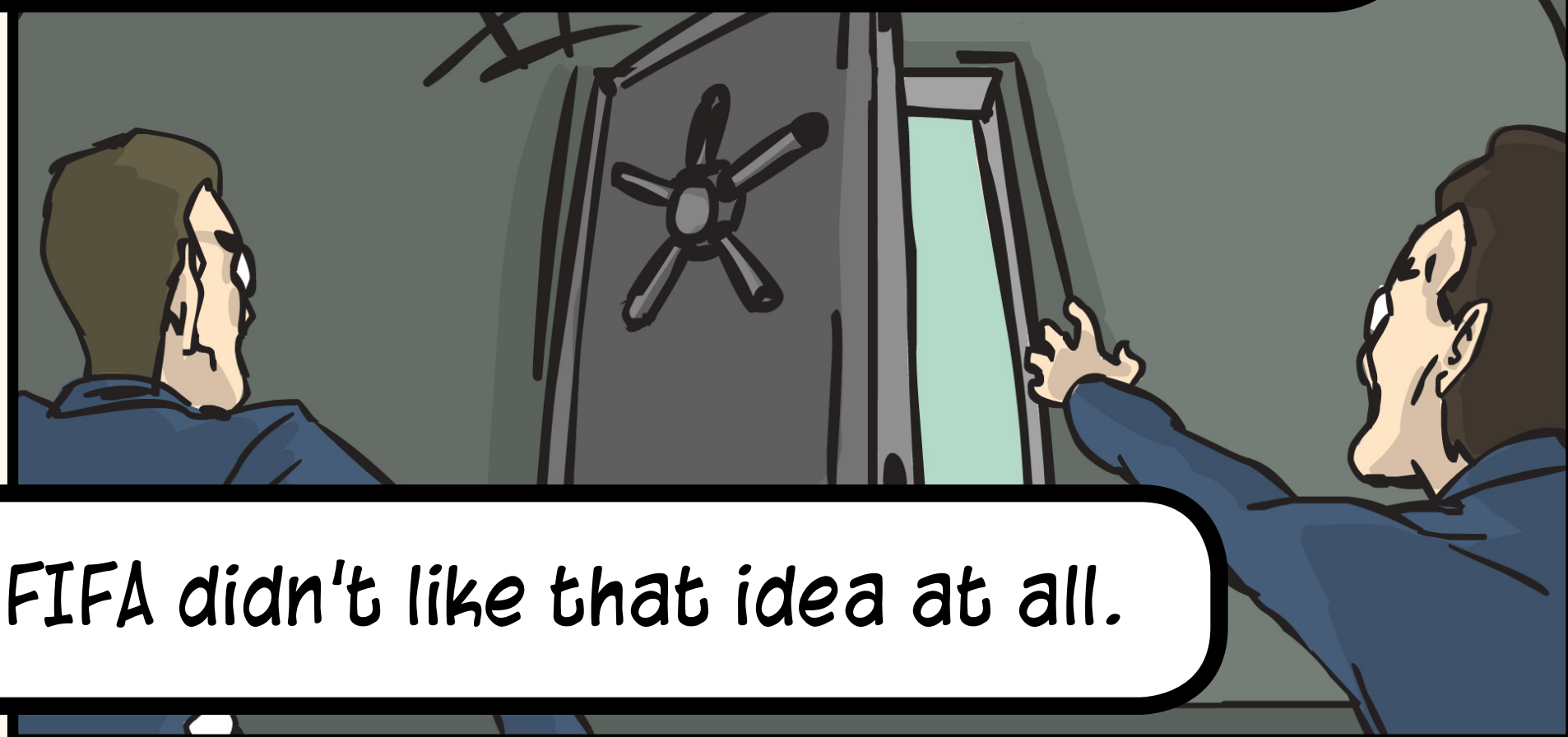
There are no term limits to prevent the leadership from digging in and staying in power by distributing the many favors under their control.



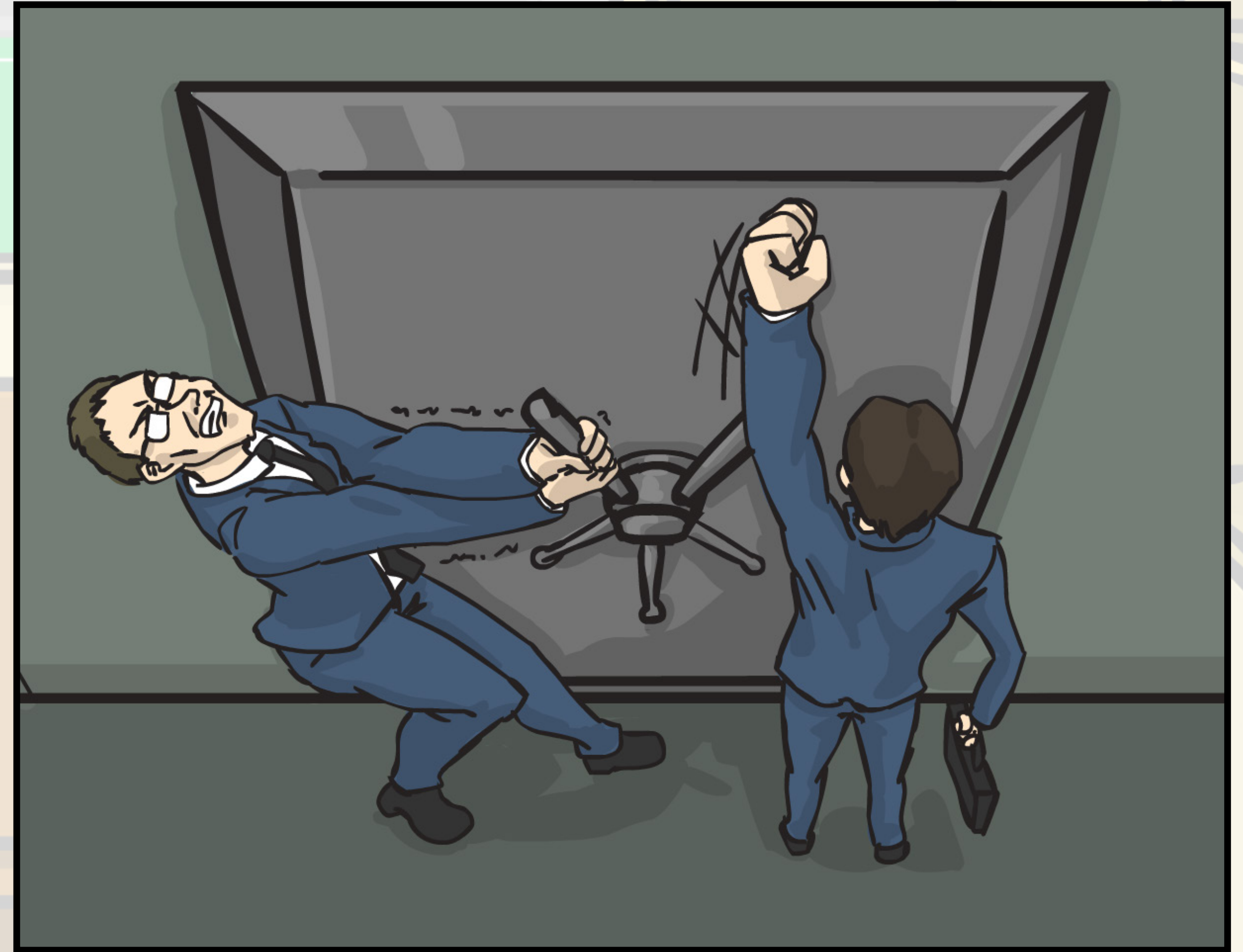
And, still, no one knows what FIFA executives are paid for the job they do.



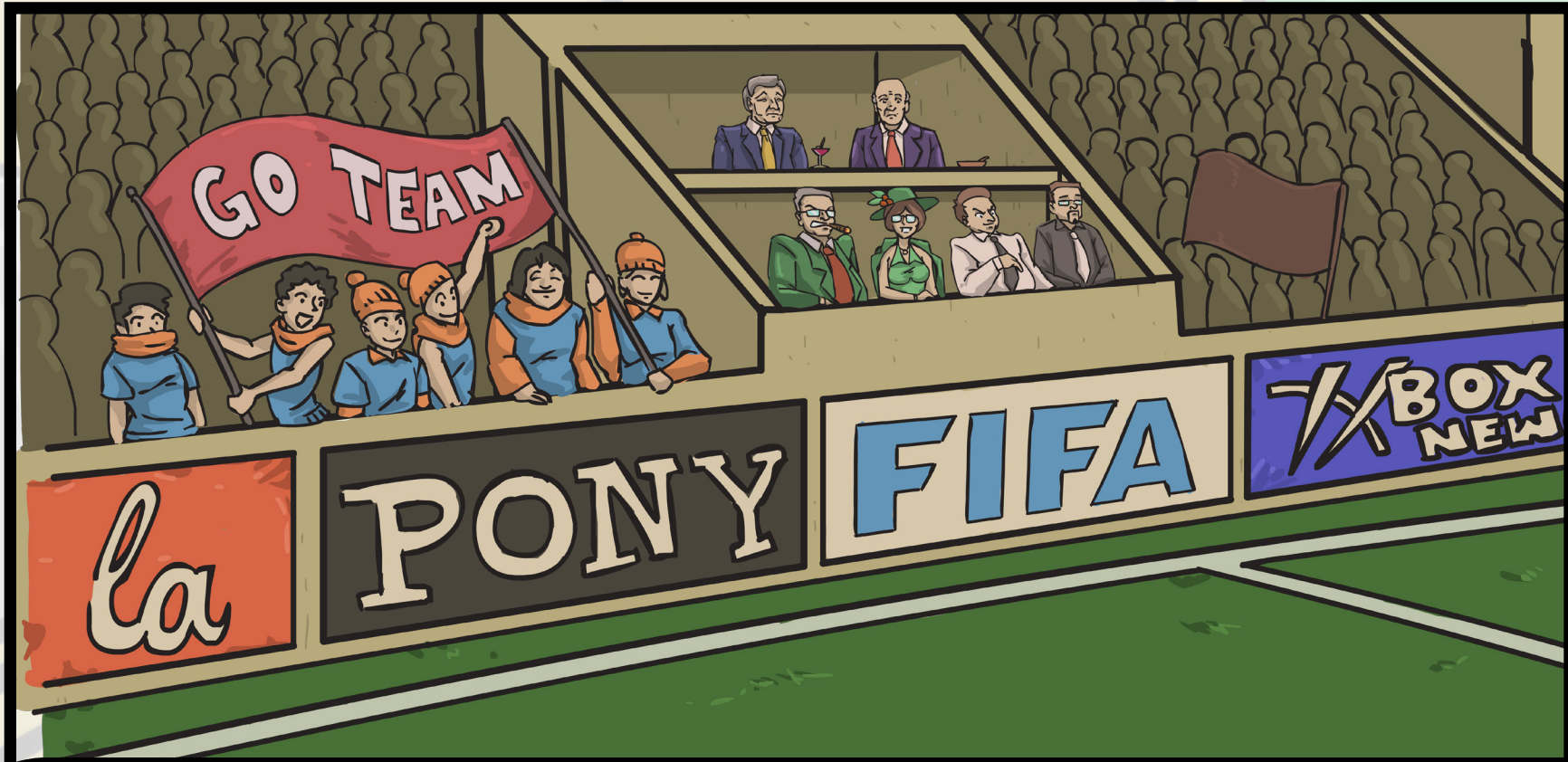
Compliance professionals have called on FIFA to add independent members to their top ranks, just as corporations do.



FIFA didn't like that idea at all.



Mr. Blatter likes to talk about keeping things "in the Football Family".



Accountability to stakeholders keeps companies focused on good governance.

The world loves football: Fans--



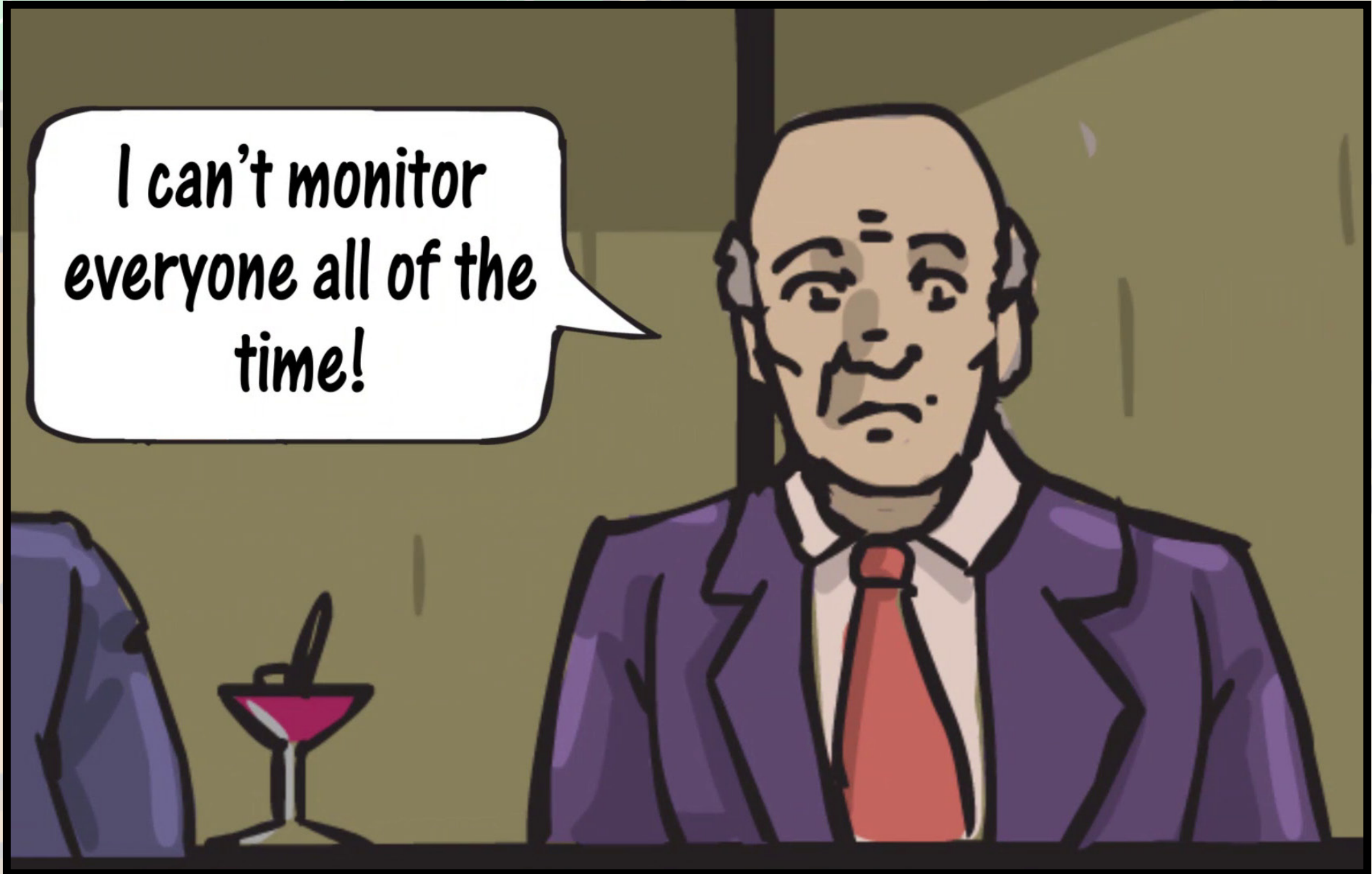
--players--

--organisers--



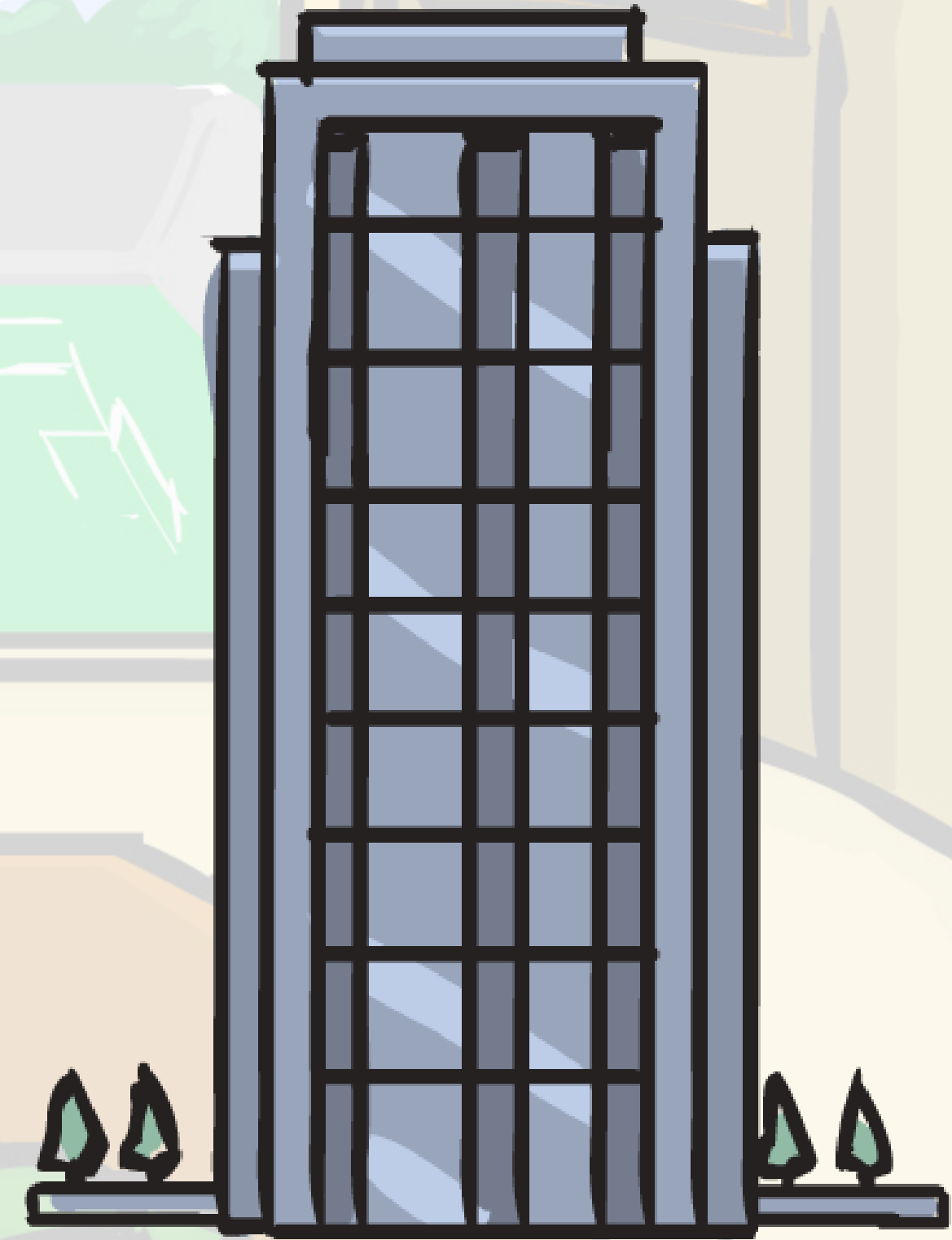
--owners and management at the association--

--confederation and executive levels.



I can't monitor everyone all of the time!

It's hard to say who FIFA serves and this is a big part of the problem.



Corporations answer to shareholders.

Governments answer to voters.

FIFA dismisses calls for more oversight.



FIFA's leaders are elected in elections marred by scandal.



With no term limits in place, they stay for decades and develop networks of cronies with whom they can trade favors.



In one election, cash was handed out to voters in brown paper envelopes

Doing business internationally is challenging. Organizations may well uncover problems. They should act quickly to investigate the facts and take whatever steps are necessary to end the problem.



But most of FIFA's scandals have been buried.

FIFA has allowed limited investigations - but kept the results a secret.



Worse, FIFA's chief investigator said his report was misrepresented to the public.



He finally resigned from the organization after just 18 months.



FIFA[®]

FOR THE GAME. FOR THE WORLD.

FIFA's motto is "For the Game. For the World".

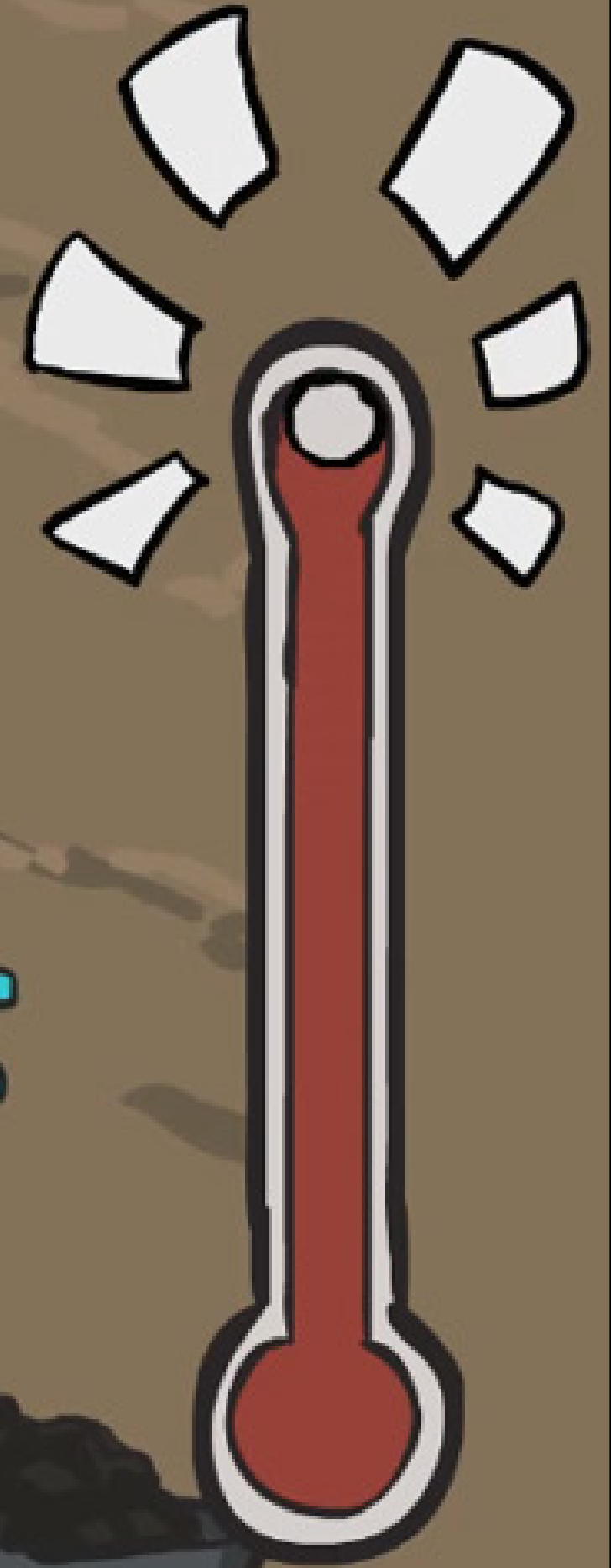


But what about the people whose homes were bulldozed for Brazil's World Cup construction?

Or those who work in Qatar's 50 degrees Celsius (122 degrees Fahrenheit) heat, in slave-like conditions, to build the World Cup infrastructure for 2022?



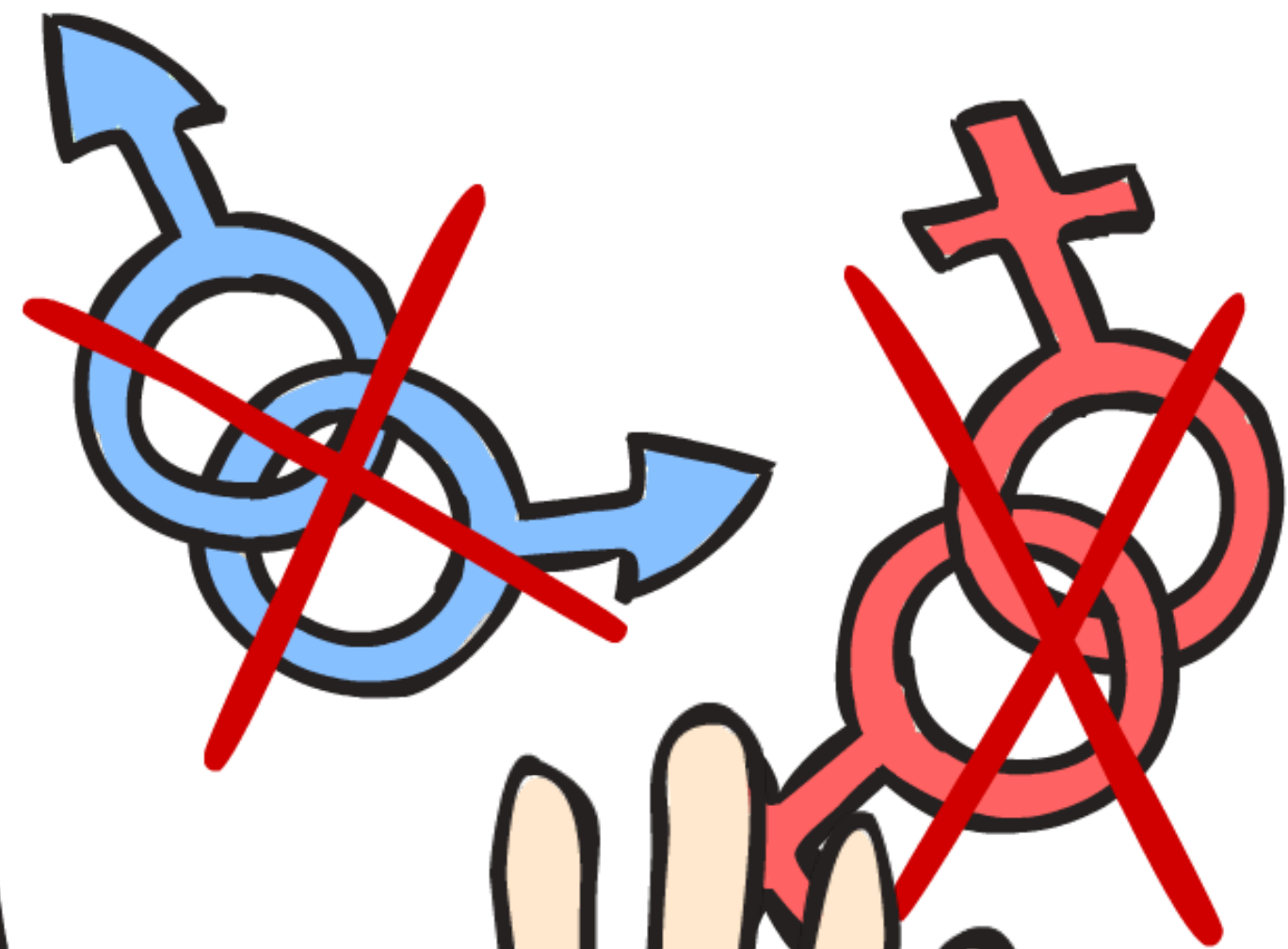
FIFA
FUTURE STADIUM



FIFA's former Secretary General, Jerome Valcke, said: "Less democracy is sometimes better for organising a World Cup." He was later suspended by FIFA for alleged self-dealing in tickets for the 2014 Brazil World Cup.

Shoddy governance never occurs in isolation. FIFA's Blatter has also demonstrated insensitivity to discrimination.

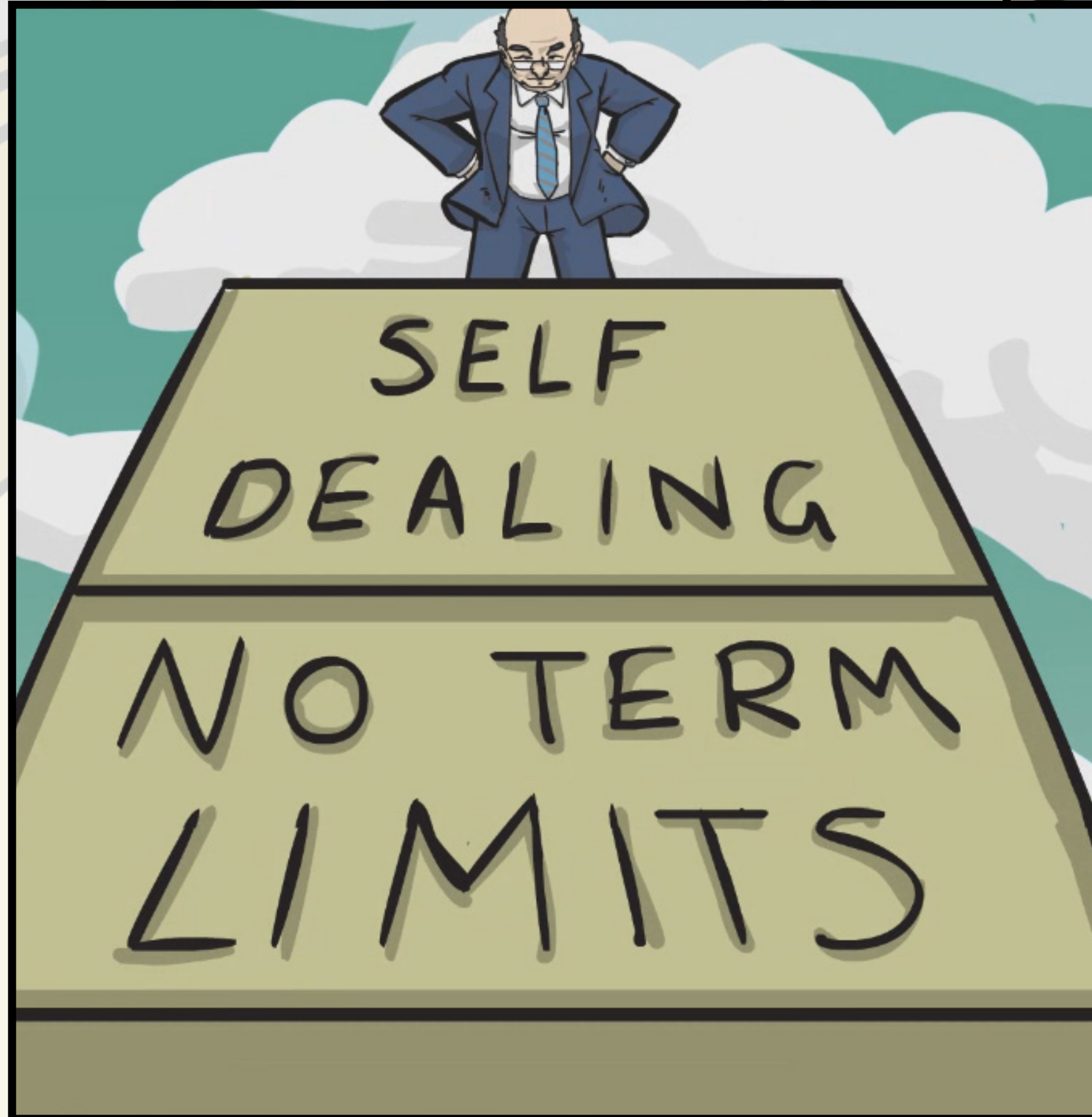
Can homosexuals attend Qatar's World Cup in a country where homosexuality is a crime? "I'd say they should refrain from any sexual activities."



How can we improve the women's game?
"They could, for example, have tighter shorts."

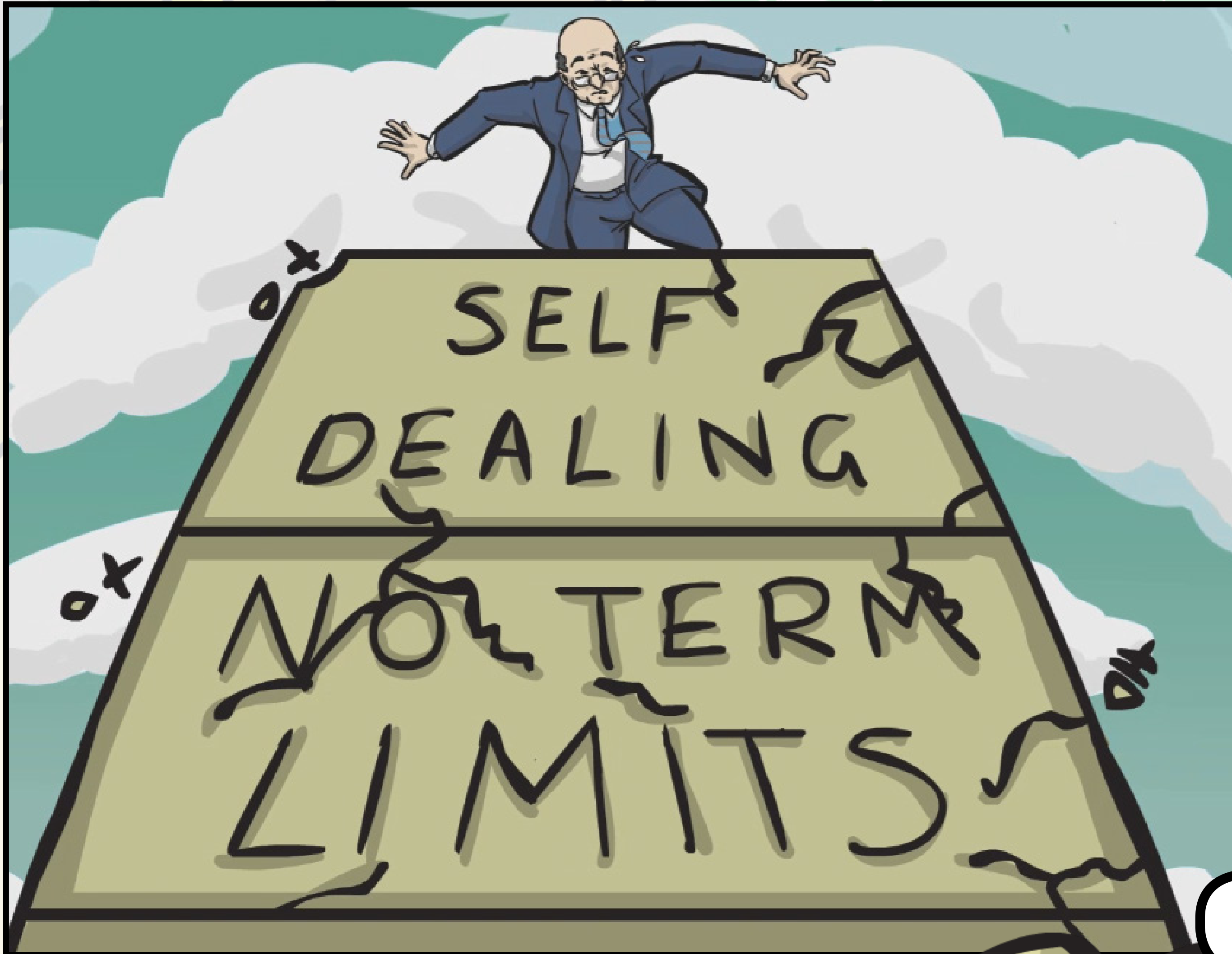
And about horrible racial abuse of players?
"The one affected by this should say 'this is a game' and shake hands."

FIFA is a case study in compliance failures - failures of governance, of accountability and even failures of human dignity.



FIFA has squandered all credibility and now faces the question no organization ever wants to face: can FIFA be saved and public confidence restored?

The compliance hemorrhage could have been stopped at almost any point with a serious commitment to reform.



Now? The fate of the organization is unclear.

Transparency

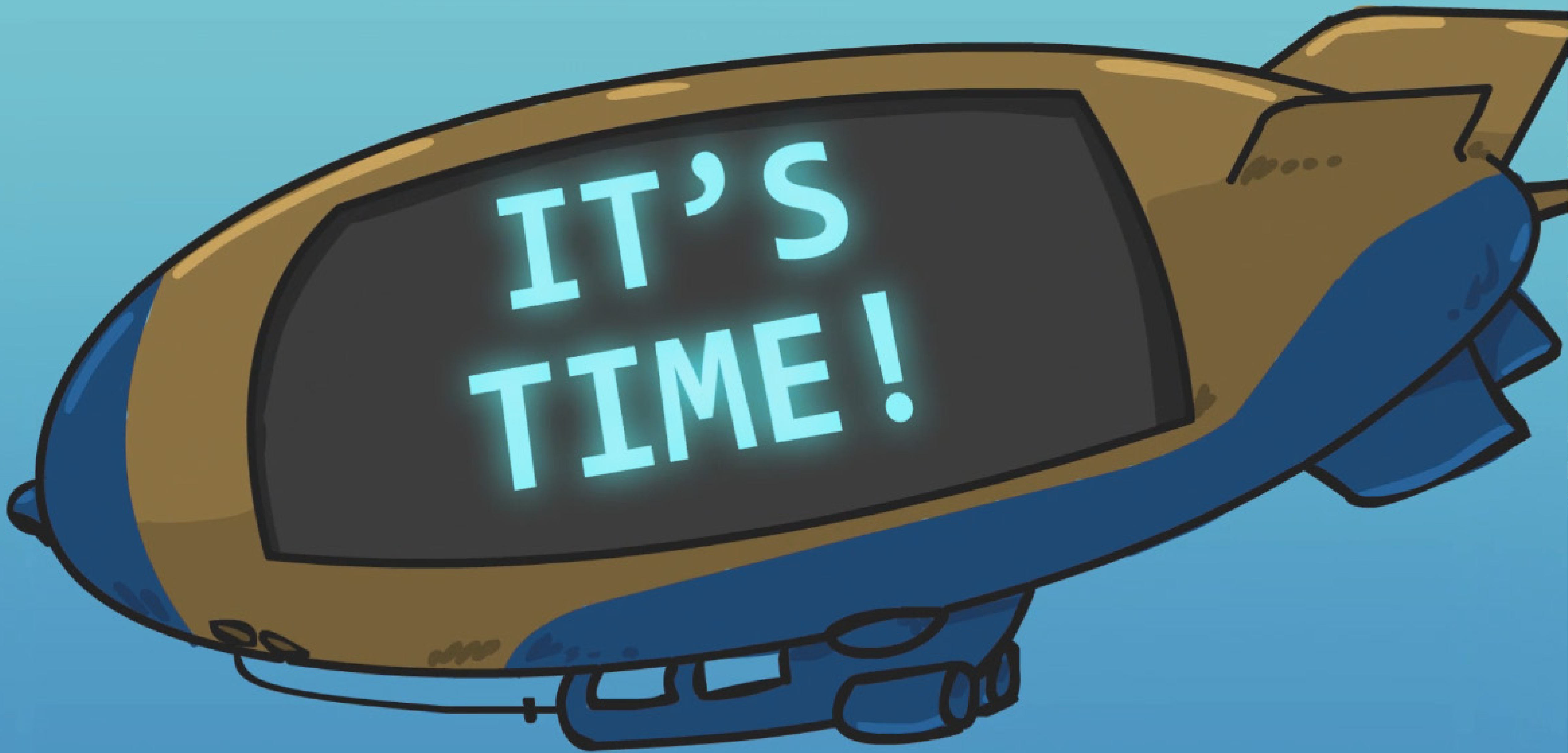
Accountability

Oversight

Integrity

Fairplay





IT'S
TIME!



**TRACE is the world's leading business association
dedicated to advancing commercial transparency
and raising compliance standards.**

**TRACE president, Alexandra Wrage, served on the
FIFA Independent Governance Committee from
November 2011 until she resigned in April 2013.
She and TRACE accepted no payment from FIFA.**