

**CONFLICT OF INTERESTS
AND GOVERNMENT INTERFERENCE
IN ACTIVITY OF NATIONAL
FOOTBALL FEDERATIONS**







FOOTBALL AND FIFA: TIME TO CHANGE?



Alisher Aminov

(born 1962 in Tashkent, USSR)

The graduate of famous «Pahktakor Tashkent» football school. In 1980-s worked in several Soviet football clubs as a manager. In 1990-s started the career in business, from 1998 to 2003 – the vice-president of one of the biggest Russian banks «Rosbank».

Since 2003 – the vice-president of research center «Institute of independent examination and law».

In 2004 returned to football and worked out comparative analysis of football development in Soviet Union and Russia. In 2007 headed the working group of the Committee of Football Union of Russia, responsible for projects, focused on football development. In 2008 was elected the president of «Football Development Fund».

Twice – in 2010 in 2012 – participated in elections of Football Union of Russia president. According to experts, author of the best election programme in the history of Russian Football Union.

In 2015 was appointed vice-president of «International fund for legal initiatives».

One of the most well-known, consecutive and authoritative oppositions and critics of modern football system in Russia and Post-Soviet area. Ph.D. in Economics.



Relations between state and football public organizations

Football in the Russia and several countries of the former USSR is directly linked to the state. Presidential elections, key decisions, financing professional football – all these can't be made without direct participation of state.

FUR presidential elections

FUR presidential elections can't be held without state interference. Presidents of associations are appointed and dismissed in accordance with instructions from the first persons of state. Position of an association's president is often occupied by state officials.

Here are the examples of state interference in football associations.

FOOTBALL UNION OF RUSSIA

No	Name	Period	Candidates for the position	Position at a state office when occupying the position at FUR
1	Vyacheslav Koloskov	02.1992 – 04.2005	3 (elections in 1998, three candidates withdrew) 1 (elections in 2003)	-
2	Vitaly Mutko	04.2005 – 11.2009	2 (elections in 2005, two candidates withdrew)	Member of the Russia's Council of the Federation (2005 - 2008), Minister of Sports
3	Sergey Fursenko	02.2010 – 06.2012	2 (elections in 2010, one candidate withdrew)	-



4	Nikolay Tolstykh	09.2012 – 05.2015	2 (elections in 2012, three candidates withdrew)	-
5	Vitaly Mutko	09.2015 – 2016	1 (elections in 2015, one candidate withdrew)	Minister of Sports

All FUR presidential elections, starting from 2005, were snap elections.

No president (1-4) has worked for his allotted period. De facto all of these elections were uncontested.

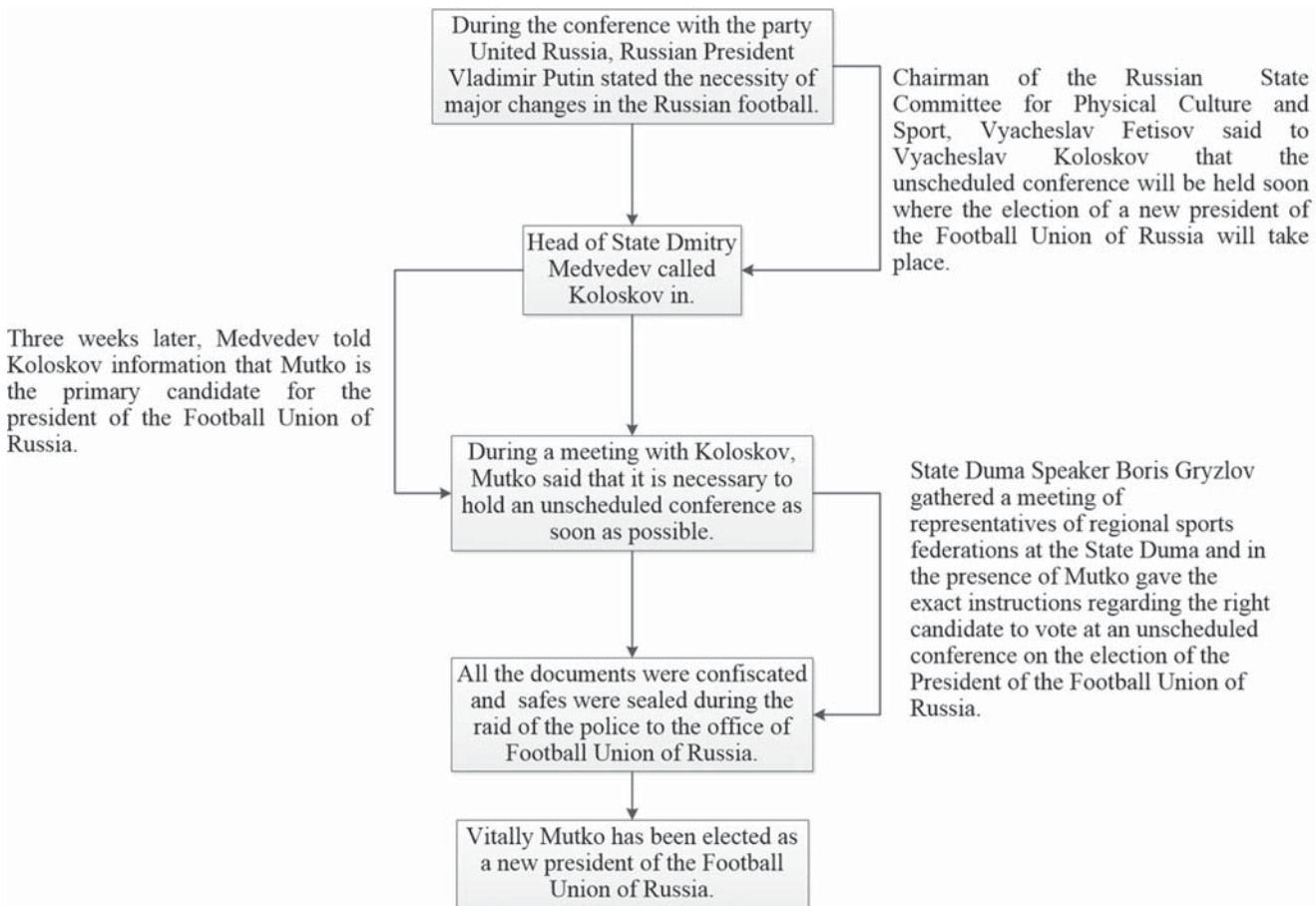
In 2010 the Russian president Dmitry Medvedev prohibited to occupy positions in the state offices and in public organizations at the same time. But now the president Vladimir Putin and the prime minister Dmitry Medvedev have sanctioned combining Minister of Sports and FUR president positions again.

We can see how one of these sports public organizations – the Football Union of Russia – turned into the structure where the organization’s chief executives, at the command of country leaders and the Minister of Sports, continuously violate the main principles of football associations: openness, publicity, professionalism, collective decision making, competition between programs of candidates for the key positions.

Today they vote unanimously for the candidates offered by the political authorities, tomorrow they vote in the same manner for their dismissal.

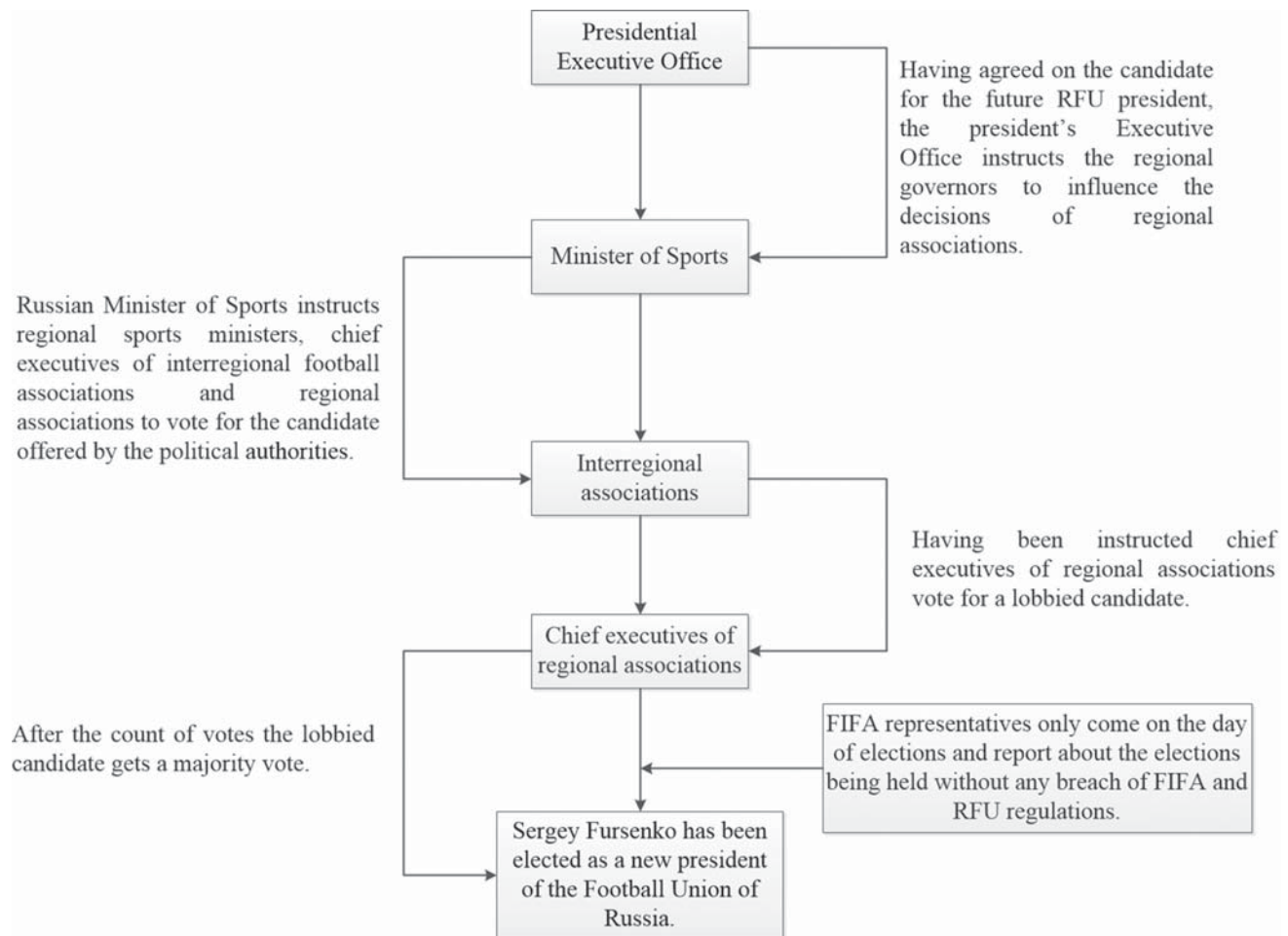


LAYOUT OF FUR PRESIDENTIAL ELECTIONS IN 2005





LAYOUT OF FUR PRESIDENTIAL ELECTIONS IN 2010



The elections in 2012 and 2015 were held according to the same principles.

Presidential elections for the Football Union of Russia are held on September 24, 2016.



CANDIDATES FOR THE PRESIDENCY:

- Sergey Pryadkin

Vice-president and executive member of the Football Union of Russia (FUR), President of the Russian Football Premier League., First Deputy Chairman to the UEFA Players' Status, Transfer and Agents and Match Agents Committee. Member of the UEFA Professional Football Strategy Council.

Does not have an election agenda 10 days prior to the election.

- Igor Efremov

Member of FUR Executive Committee Bureau. President of Football National League. Chairman to public organization «Moscow region Football Federation». Member of FUR Grassroots and Football Development Committee. First Deputy Chairman to FUR Women's Football Committee.

Does not have an election agenda 10 days prior to the election.

- Vitaly Mutko

Minister of Sport of the Russian Federation, FUR President.

Does not have an election agenda 10 days prior to the election.

- Valery Gazzaev

Honored Coach of Russian (2005). Coach of the Year 2004-2005 (UEFA). The first coach from the Russian Federation to win a UEFA cup in 2005. Ex-president of the bankrupt FC Alania. Has a published election agenda.

The upcoming FUR presidential election is another parody with dummy candidates for the presidency designed to create the appearance of holding democratic election for a public football association. This is done to show FIFA and UEFA competitive activity.

I suggest having a look at biographies of the candidates for the FUR presidency and their football-related activity in Russia. All the four candidates have unsavoury reputation and dubious achievements.



‘The Pryadkin Case’ and ‘the Efremov Case’

The Pryadkin Case and the Efremov Case are strong examples of corruption of the Russian football system; the cases are about the conflict of interests involving Sergey Pryadkin, President of the Russian Football Premier League (RFPL), FUR vice-president and a member of a UEFA Committee and Igor Efremov, President of Football National League and FUR vice-president.

As for the Sergey Pryadkin case, a conflict of interests was revealed, namely the RFPL head owned a company registered in Germany named GiRRus GmbH that, according to its charter, was allowed to provide agency service.

Action	Breach of regulations	Time and duration of breach
Establishing and managing GiRRus GmbH (with the right of signature)	FIFA ethics regulation, Paragraph 5	2006 S. Pryadkin becomes FUR Director General WITHOUT MAKING NOTIFICATION about him setting up and running the GiRRus GmbH company.
	FUR ethics regulations, Paragraph 3	2007 – until now S. Pryadkin becomes RFPL president. Besides, he becomes FUR vice-president, a FUR Executive Committee member and a member of FUR Executive Committee Bureau.
	FUR regulations, Paragraph 29	2011 He becomes a member of the UEFA Agents and Match Agents Committee. He keeps casting his votes for standing orders, appointments for committees and commissions WITHOUT A SINGLE NOTIFICATION to the Executive Committee about him setting up and running the GiRRus GmbH company.



Agents activities of Andrey Pryadkin (Sergey Pryadkin's brother)		March 30, 2006 Andrey Pryadkin gets an agent's license No. 071 from the FUR; 9 agent agreements registered with the FUR.
Agents activities of Thomas Zorn (Sergey Pryadkin's adopted son)		Thomas Zorn gets an agent's license from the German Football Union; 2 agent agreements with Russian players registered in Germany.

Thomas Zorn, a German national and Sergey Pryadkin's adopted son, was de-facto head of GiRRus. Zorn had a Russian agent's license and participated directly in several transfers. After this information has been made public, the FUR Ethics Committee, under public pressure, has begun a procedure in the case. But later the case was rejected on a formal basis: the company has never made any payments related to football. Meanwhile, the information about Pryadkin's son and his agency operations were not investigated.

Moreover, in Igor Efremov's case it has been revealed that Sergey Pryadkin's brother Andrey was also a licensed agent who participated in several transfers (as the FUR committee on agents' activities confirmed later, he had nine agent agreements).

Sergey Pryadkin confirmed that he never informed the FUR executive committee and the FUR conference about these facts, and also didn't abstain from voting during the FUR meetings on matters concerning agents' activities regulations. Mr. Pryadkin didn't even think he should do that, which means he was confident there was no breach of any FIFA, UEFA and FUR orders.



During a FUR Appeal Committee hearing, a question was raised about actions taken by Igor Efremov, the President of Football National League regarding the transfer of Evgeny Levchenko, a football player to the FC Saturn. At that time, Mr Efremov was the head of the FC Saturn and the circumstances of the notorious transfer received a wide media exposure. Summary of the story is as follows: the player joined the club as a free agent, but later the FC Saturn being on the verge of bankruptcy transferred 400 000 (allegedly for Levchenko) to the Wisser Trading Limited company, registered at the Seychelles. At the same time, wage arrears were not paid for a lot of player of the disbanded team and the club itself went bankrupt. The question goes as follows: who received the money and how many similar money transfers can be revealed in the history of the club gone broke.

Such cases are not exceptions, but only a small part of them has been revealed to public. It seems that negotiations with unlicensed agents and payments to offshore companies are usual for the FUR officials. It's understood that we are in need for thorough investigations of clubs' transfers.

Combining posts of a minister and FUR president, putting forward the incumbent Russian Sports Minister's candidature for FUR presidency as an obvious violation of FIFA Statutes, FIFA Standard Electoral Code, FIFA Code of Ethics, as well as FUR Statutes and FUR Electoral Code.

A standing FUR President, Vitaly Mutko, was nominated to the position of FUR President and express edit sconsent with a nomination of his candidrature to the said position, but did not resign from the position of general manager of Russian federal executive body in the sphere of physical Culture and sport – Minister for Sports of Russia.



Federal Sports law (Art. 14, par. 9) agreed by the Ministry of Sports of Russia:

«No less than seventy five (75%) percent of the votes out of the total number of votes of supreme management body of FUR shall belong to accredited regional football federations being members of FUR.»

Regulations for Ministry of Sports of Russia (par. 4.2.13.):

Ministry of Sports of Russia shall approve independently the following regulations: 4.2.13. the manner of state accreditation of region All football organizations of FUR in order for granting them a status of regional sports federation;

Thereby, it is particularly the Ministry of Sports of Russia who develop and approve the manner of state accreditation of regional football organizations in order for granting them a status of regional sports federation.

It was a standing Minister for Sports of Russia, Vitaly Mutko, who approved the manner of the making of such accreditation applicable and effective actually by signing the Order N 663 dated 01.08.2014 of the Ministry of Sports of Russia.

VITALY MUTKO

Standing FUR President

Minister for Sports of Russia since 2008

Member of the FIFA Executive Committee since 2009

What actions should FIFA take?

Strictly follow its own principles, rules and regulations



The Telesport company and its management's relations with Vitaly Mutko

All major commercial contracts of the FUR since 2006 have been made through accounts of the Telesport company that is controlled by Mr Makarenko, a commercial partner of Sports Minister.

European and western media gave as examples transfers of Telesport and the Chesterton company registered in Great Britain.

Experts believe that sponsors' funds allocated for commercial rights and contracts of the FUR were accumulated at Telesport accounts in order to be spent for goals other than developing football. UEFA management signed commercial rights for broadcasting European Championship not with Russian TV channels directly, but with Telesport that is tightly connected with FUR President who is at the same time sports minister and member of the FIFA Council. This is considered to be a non-transparent third-party procedure.

IN THE LAST 6 YEARS THE RFU EXECUTIVE COMMITTEE INCLUDED FEW STATE OFFICIALS AND HEADS OF STATE COMPANIES:

Name	Period	State position held during the period
Victor Zubkov	May 2010 – August 2012	Senior Deputy to the Prime minister
Sergey Ivanov	May 2010 – August 2012	Senior Deputy to the Prime minister
Sergey Stepashin	May 2010 – August 2012 and present	Head of Russia's Audit Chamber
Alexander Konovalov	May 2010 – May 2011	Russia's Minister of Justice
Alexey Miller	May 2010 – May 2012	Gazprom Chairman of the Board
Vladimir Yakunin	April 2014 – present	Russian Railways president



BELARUS FOOTBALL FEDERATION

No	Name	Period	Candidates for position	State position held during the period in federation
1	Evgeny Shuntov	1989 – 1999	5 (elections in 1994)	-
2	Grigory Fedorov	1999 – 2003	3 (elections in 1999)	Head of Belarus state aviation committee
3	Gennady Nevyglas	2003 – 2011	2 (elections in 2003) 1 (elections in 2007 were uncontested)	Secretary of Security Council (2001—2006), Head of President's Executive Office (2006—2008).
4	Sergey Rumas	April 2011 – present	1 (elections in 2011 and 2015 were uncontested)	Deputy to the Prime Minister

KAZAKHSTAN FOOTBALL FEDERATION

No	Name	Period	State position held during the period
1	Zamanbek Nurkadilov	1991 -1994	Head of Almaty administration
2	Timur Segizbaev	1994 - 1996	-
3	Kuralbek Ordabaev	1996 - 2000	-
4	Rakhat Aliev	2000 - 2007	Senior Deputy to the head of National Security committee (2000 - 2001), ambassador to Austria. Ambassador to Slovenia, Croatia, Macedonia, Serbia, Montenegro (2002 - 2005), since 2005 — Senior Deputy to Minister of Foreign Affairs. Since 2007 — ambassador to Austria, representative at OSCE.



5	Adilbek Dzaksibekov	2007 - 2014	Since 2004 — Head of President's Executive Office. Since 2008 — ambassador to Russia. Minister of Defence (2009 - 2014). Since 2014 — State Secretary.
6	Erlan Kozhagapanov	2014 – present	From July to November 2015 – General Director of Astana professional sports club.

THE LIST OF ASSOCIATIONS OF THE AFC PRESIDENTS HOLDING PUBLIC OFFICE POSITIONS IN THE STATE

№	Associations	President of an association	Public office position
1	Afghanistan	Karim Keramuddin	President of the General Directorate of Physical Education and Sport
2	Cambodia	General Sao Sokha	Commander of Royal Gendarmerie of Cambodia
3	China	Cai Zhenhua	Deputy Director of State General Administration of Sports
4	Hong Kong	Timothy Fok	Member of the Legislative Council of Hong Kong
5	India	Praful Patel	Member of Parliament (National Congress Party)
6	Macau	Victor Cheung Lup Kwan	Member of the Legislative Assembly
7	Mongolian	Ganbaatar Amgalanbaatar	Public relations policy advisor to the President
8	Palestine	General Jibril Rajoub	Head of the Supreme Council for Sport and Youth Affairs
9	Timor-Leste	Francisco Kalbuadi Lay	Ministry of Culture & the Arts
10	Turkmenistan	Sapardurdy Toylyyev	Deputy Chairman of the Cabinet of Ministers of Science, the latest technology and innovation issues; Chairman of the Extraordinary Commission of Turkmenistan on combating the spread of disease



11	Uzbekistan	Mirabror Usmanov	Senator, the member of the Committee on Foreign Affairs of the Senate of Oliy Majlis of Uzbekistan
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POST-SOVIET COUNTRIES WORLD CUP PERFORMANCE IN THE LAST 20 YEARS

Country	WC-1994*	WC-1998	WC-2002	WC-2006	WC-2010	WC-2014
Azerbaijan	-	X	X	X	X	X
Armenia	-	X	X	X	X	X
Belarus	-	X	X	X	X	X
Georgia	-	X	X	X	X	X
Kazakhstan	-	X	X	X	X	X
Kyrgyzstan	-	X	X	X	X	X
Latvia	X	X	X	X	X	X
Lithuania	X	X	X	X	X	X
Moldova	-	X	X	X	X	X
Russia	Group stage	X	Group stage	X	X	Group stage
Tajikistan	-	X	X	X	X	X
Turkmenistan	-	X	X	X	X	X
Uzbekistan	-	X	X	X	X	X
Ukraine	-	X	X	Quarter-finals	X	X
Estonia	X	X	X	X	X	X

* Only four post-Soviet countries played in the World Cup 1994 qualification: Russia, Latvia, Lithuania, Estonia.

Since 1994 only two post-Soviet countries participated in the World Cups – Russia and Ukraine, and Russia were always relegated at group stages.



TELEVISION RIGHTS REVENUES OF RUSSIAN CLUBS ARE EXTREMELY LOW (see Table 1).

Table 1: Television revenues

Share of total revenue of the clubs	Country	TV contract worth, million Euro	Average TV revenue per club, million Euro
49%	England	1920	96
51%	Italy	888	44.4
37%	Spain	741	37.2
25%	Germany	577	32.1
34%	France	509	25.4
45%	Turkey	232	12.9
32%	Poland	92	5.8
20%	Belgium	60	3.7
15%	The Netherlands	67	3.7
20%	Denmark	31	2.6
26%	Greece	35	2.0
13%	Scotland	19	1.6
9%	Austria	14	1.4
2,2%	Russia	22	1.4
14%	Norway	22	1.4

AVERAGE AND TOTAL ATTENDANCE OF RUSSIAN NATIONAL CHAMPIONSHIP

SEASON	AVERAGE ATTENDANCE	TOTAL ATTENDANCE
2015/16	11 388	1 639 873
2014/15	10 151	2 436 299
2013/14	11 499	2 759 684
2012/13	13 027	3 126 393
2011/12	12 905	4 542 405*
2010	12 091	2 901 851
2009	11 970	2 872 733
2008	12 914	3 099 451



2007	13 115	3 147 567
2006	11 793	2 830 268
2005	12 007	2 881 674
2004	11 511	2 762 650
2003	11 167	2 680 132
2002	10 967	2 632 100

* In the 2011/12 season after the regular season was complete the teams were divided in two groups of eight, playing teams from their groups at home and away, hence the high total attendance.

MATCH AND SEASON TICKET REVENUE

Share of total revenue of the clubs	Country	Match and season ticket revenue, million Euro	Average match and season ticket revenue per club, million Euro
18%	England	685	34.3
21%	Germany	474	26.3
20%	Spain	390	19.4
11%	Italy	196	9.8
11%	France	158	7.9
35%	Switzerland	73	7.3
21%	Netherlands	95	5.3
23%	Belgium	70	4.4
34%	Scotland	51	4.2
11%	Turkey	55	3.1
15%	Austria	25	2.5
13%	Portugal	38	2.4
20%	Sweden	30	1.9
19%	Norway	29	1.8
2,8%	Russia	28	1.7



COMPLIANCE TO FINANCIAL FAIR PLAY

No	Club	Season	Sanction
1	Dynamo Moscow	2015/16	Europa League 2015/16 disqualification
2	Lokomotiv Moscow	2015/16	5 million fine (of which 3.5 million conditional). Europa League squad limit of 22 players instead of 25.
3	FC Krasnodar	2015/16	4 million fine (of which 3 million conditional). Europa League squad limit of 22 players instead of 25.
4	FC Rostov	2015/16	200,000 fine.
5	Inter Azerbaijan	2015/16	50,000 fine. Possible one-year European ban.
6	Dnipro Dnipropetrovsk	2015/16	100,000 fine Possible one-year European ban.
7	Zenit St. Petersburg	2014/15	12 million fine (of which 6 million conditional). Champions League squad limit of 22 players instead of 25.
8	Rubin Kazan	2014/15	6 million fine. Europa League squad limit of 21 players instead of 25.
9	Anzhi Makhachkala	2014/15	2 million fine. Europa League squad limit of 21 players instead of 25.
10	Skonto Latvia	2013/14	40,000 fine. One-year European ban.
11	Metallurg Donetsk Ukraine	2013/14	100,000 fine. Two-year European ban.
12	Arsenal Ukraine	2012/13	75,000 fine

ROLE OF THE PLAYERS' UNIONS

Currently FIFPro includes 58 member countries but former USSR countries are represented only by Russia, Ukraine, and potentially Kazakhstan.

Country	FIFPro membership
Azerbaijan	No
Armenia	No
Belarus	No



Georgia	No
Kazakhstan	Candidate to join
Kyrgyzstan	No
Latvia	No
Lithuania	No
Moldova	No
Russia	Yes
Tajikistan	No
Turkmenistan	No
Uzbekistan	No
Ukraine	Yes
Estonia	No

CONCLUSIONS

FIFA officials and executive committee members participated in the elections conferences as observers only. They did not participate during electoral period, arriving instead on the day of elections and reporting there was no breach of FIFA and local regulations at the national associations elections.

Most football association presidents in the post-Soviet countries have held or continue to hold positions at state authorities. Key persons in associations are appointed by political authorities and not elected by football community, which negatively influences the development of football in those regions.

Formal elections of association presidents in the post-Soviet countries, political lobbyism, lack of debate and discussion of candidates' programs – all this leads to breach of trust and bad publicity for FIFA and national associations.

Such elections are totally illegal within the framework of a public sports organization.

The vast majority of key football development directions, e.g. within the FUR, are headed by football nonprofessionals who do not understand the matter of issues challenging the community. Orders received from the top on integrating



into executive committees of different federations such people as state agents, heads of state-owned companies and billionaires who do not know football have increased over the last years the number of outsiders who lobby interests of state authorities and private parties, support certain politics and businesses while ignoring interests of the professional community.

Such a system of executive committees automatically neglects the rights of football subjects and shows a strong example of autocratic administrative approach of federations towards their job.

The facts listed above dissipate any doubts that Russian football has picked the wrong course over the last years in terms of harmonious development of this sport.

All this, unfortunately, compromises not only football itself and its management, but also managers in FIFA, confederations and associations.

It is a direct responsibility of FIFA members, confederations and national associations to protect football from the further incompetent interference from the authorities' placemen which has a corrosive effect.

Nowadays, it is necessary to establish a hard approach to the members of the Federations, to the football public, to the leadership of the FIFA, to the confederations and national federations and to the leadership of the country, reflecting the total rejection of the current situation.

I believe that it is necessary for members of FIFA, confederations and federations to take steps listed below in the near future, and the key point here will be the decision whether such approaches are to be changed or the existing paradigm is to be preserved.

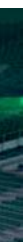
First of all, it is necessary to restore the democratic principles: state should not interfere in the activities of public sports organizations, its function should only be assistance. Otherwise football's decay is inevitable.



Professional football should gradually go away from state funding. Dependence from state monopolies and regional budgets is destructive for the game. Until such a system of club funding is preserved, there must be a close control aimed to optimize clubs budgets and create conditions that would attract private investments. Budget transparency is one of the crucial FIFA requirements, and it's a strategically correct direction for football in the post-Soviet countries to make a transition to self-sufficiency. At the moment it is impossible for the new private clubs to emerge due to very high 'entry price' – high expenditures, absence of comparable incomes, corruption and closed nature of the industry.

The FIFA Standing Orders cover matters connected with the elections of the FIFA President and does not deal with the FIFA Council members election. These questions are outlined directly in the FIFA Statues.

The obligations of the FIFA presidential candidates to hold public debates during the election campaigns under the FIFA Standing Orders should be introduced. These changes are of high importance and may be made to Article 1 (paragraphs 4 and 5) of the FIFA Standing Orders, thus stating that public debates are one of the main principles of an outspoken election campaign.





VITALY MUTKO Standing FUR President
Minister for Sports
of Russia since 2008

Member of the FIFA Executive
Committee since 2009



What actions should FIFA take?

**Strictly follow its own principles,
rules and regulations**