

Soapbox:



Dirty money in football

By Hani Abul-Fotouh

Criminals are indeed using football for money laundering and tax evasion. They increasingly use large volume money transfers and complex accounting to make any attempt to trace the money difficult, if not impossible. A recent report issued by the Organisation for Economic Cooperation and Development's Financial Action Task Force revealed that football clubs are seen by criminals as an attractive money laundering opportunity and a perfect vehicle to move illegal funds across borders.

The report cited one case, among 20 in 25 countries, in which authorities spotted an attempt to launder money through the purchase of a famous Italian football club using funds supplied by a criminal gang operating in central Italy.

What makes criminals find football clubs an attractive mean to launder money could be attributed to the weak management of clubs. Many clubs are run by amateurs and can easily be acquired by dubious investors. Big money could move in and out unspotted, and inflated agent fees and betting networks all help criminals mask the origin of dirty money and acquire for it a legitimate appearance. This explains why suspected criminals run after clubs in financial difficulty and provide them with money to settle their debts.

Furthermore, football is a way for criminals to acquire social respectability that is needed to provide criminals with cover to hide their illegal activities. Do criminal groups in Egypt or the Middle East think of using football clubs and players as a vehicle for money laundering? It is unlikely. In this part of the world, football does not pose the same degree of money laundering risk as Europe, and for several reasons. Generally, elected boards run football clubs, mostly composed of respectable public figures of high integrity. Second, the clubs' activities are adequately regulated. Third, football clubs are not business enterprises that investors can buy. Fourth, law forbids betting on football.

All in all, football clubs in Egypt -- unlike elsewhere -- are not an attractive money laundering conduit. Still, the risk cannot be totally ignored.

This week's Soapbox speaker is director of policy and corporate affairs at CI Capital Holding. © Copyright Al-Ahram Weekly. All rights reserved