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FIFA Scandal Highlights Caribbean’s Political Culture of Corruption

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The morning raid in May by Swiss police on a Zurich luxury hotel to arrest officials from FIFA, the world governing body of soccer, has had global repercussions for the global game. Among the home regions of those implicated in the scandal, which consists of alleged bribery and vote buying for the awarding of several World Cup bids, the Caribbean has been thrust into a negative spotlight. Former top officials from CONCACAF, the regional governing body of soccer for North America, South America, and the Caribbean, have been charged with racketeering and bribery by the US, which is seeking their extradition.

Jeffrey Webb of the Cayman Islands and Jack Warner of Trinidad and Tobago were, respectively, the current and former presidents of CONCACAF, a position that made them vice presidents of FIFA. Webb remains in a Swiss jail while fighting extradition to the US, a process that could take months. Warner was placed on "red notice" by Interpol and turned himself in to Trinidadian authorities. It is widely expected that the US government will serve him with extradition papers.

While the accused have yet to be formally convicted, the court of public opinion strongly believes that there was endemic corruption within FIFA and that CONCACAF leadership in the Caribbean benefitted exceptionally from FIFA’s largesse. Exposure of the corruption and the subsequent public response has cast a cloud over political institutions in the Caribbean. A sense that these politicians were not isolated cases but part of a broader culture of corruption has affected the perception of governing institutions within the region and could have negative economic impacts on foreign investment.

Cayman Islands: Bottom of rankings, top of investment ladder

The Cayman Islands are a British possession with a population of just 58,000. They are known as a tax-free haven for financial institutions, with thousands of wealthy individuals and corporations storing their money in banks chartered in the Caymans.

Jeffrey Webb, a trained lawyer and the longtime president of the Cayman Islands Football Association, climbed the ranks to assume the CONCACAF presidency and thus FIFA vice presidency in May 2012. Many FIFA watchers considered him the heir apparent to now disgraced former president Sepp Blatter, who recently resigned after five terms in office. Webb’s re-election was unopposed in April but he was dismissed following the indictment from the US Department of Justice.

Although Webb positioned himself as a reformer, he continued the backdoor business-as-usual operations of the organization. Despite having overseen an integrity report and audit into his predecessor’s administration and having served on FIFA’s Transparency and Compliance Committee, Webb was accused of serious malfeasance. He purportedly negotiated millions in bribe payments to US, Swiss, and Caymanian bank accounts that he controlled in exchange for directing lucrative contracts for major tournaments to sports marketing companies.
Webb was highly popular in his home country, however, having brought significant FIFA development funds to the tiny island nation. Since 2002, FIFA has spent US$2.2 million for a new headquarters building to house the national soccer association. Another US$1.8 million has arrived since 2008 to pay for two planned fields, which have struggled to grow proper grass on the swampy land chosen for the site and were ultimately converted to artificial turf at the additional cost of US $500,000. These investments seemed improbable for a country whose national team is ranked 191st out of 209 teams and has never appeared in a World Cup, soccer’s signature event.

Given that each national soccer association gets one vote at FIFA, the Cayman Islands is as politically powerful as a much larger country like Brazil. Consequently, Webb was a potent ally who could deliver many votes from the relatively small countries that make up CONCACAF.

Trinidad and Tobago: Jack Warner’s legacy of dirty dealings

At the other end of the Caribbean basin, the twin-island nation of Trinidad and Tobago has produced perhaps the most colorful character to emerge from the FIFA scandal. Jack Warner is a member of parliament for the opposition party and formerly the minister of national security, but he has made his career as a soccer executive in his home country. He climbed the ranks of the Trinidad and Tobago Football Federation, ultimately arriving as CONCACAF vice president in 1983, at which point he joined the FIFA Executive Committee. Elected CONCACAF president in 1990, he held the post until 2011.

During this long tenure, Warner was part of the bidding process for several World Cups, including the 2010 edition in South Africa and the upcoming 2018 and 2022 editions in Russia and Qatar, respectively. He is accused of receiving millions of dollars in bribes to vote in favor of the winning host countries. In addition to direct deposits to accounts that he controls, such as US$10 million from South Africa purportedly to support a soccer development program for members of the African diaspora, large payments were made to companies whose address matched that of his Trinidadian office.

Since his arrest, Warner has repeatedly grandstanded on the world stage about his accusations. He commandeered the floor of the Trinidadian parliament to state his innocence. In a press conference, he accused the US of plotting his demise in order to host a World Cup this year, citing an article from the satirical newspaper The Onion. He engaged in a bilateral tête-à-tête with comedian John Oliver, who purchased paid time on Trinidadian television at the same hour that Warner normally does in order to skewer the accused politician. Warner has also threatened to reveal damaging secrets about FIFA and ex-president Blatter.

News on June 29 that the US had delivered extradition papers to Warner spread rapidly through Caribbean and global media outlets, but thus far have been denied by the US Embassy in Port of Spain. After his arrest on May 27 for wire fraud, racketeering, and money laundering, Warner was released on bail and surrendered his passport. A statement from the US Embassy indicated that the US Department of Justice is still within the 60-day window specified by the US-Trinidadian extradition treaty. Warner has since hired a high-profile British lawyer to help him in his fight to avoid extradition.

Corruption affects politics, economy, and freedom of the press

While the headlines have focused on the arrest of just two officials from two countries in a much larger region, commentators have suggested that Webb and Warner are not isolated cases but
rather symptoms of a corrupt political and economic system in the Caribbean. "There is a Jack Warner or two in every Caribbean parliament today," claims Tennyson Joseph, political scientist at the University of the West Indies at Cave Hill in Barbados. The region, he states, has an "underdeveloped democratic culture." For example, it lacks campaign finance laws, which political scientist Trevor Munroe from the University of the West Indies at Mona in Jamaica claims has created a "black hole in dealing with corruption."

On June 15, Transparency International launched the Corruption in Sport Initiative, citing missing development funds to Caribbean soccer associations as a key misdeed. This initiative comes on the heels of a June 2014 conference hosted by the organization, Toward a Corruption-Free Caribbean: Ethics, Values and Morality, which took place in the Cayman Islands. In an ironic twist, CONCACAF was a main sponsor of the conference, suggesting that corruption is so endemic even those supporting anti-corruption efforts with the left hand are engaging in illegal activity with the right hand.

The Caymans, in turn, has shown itself unfriendly to criticism in the press. An editorial by the Cayman Compass calling the country "culturally steeped" in corruption, which was "an insidious, creeping crime," appeared one week after Webb’s arrest. The publishers of the Compass, Caymans’ only daily newspaper, fled for Florida soon after following threats.

The public relations black eye that the FIFA scandal has caused for the Caribbean may also negatively impact the local and world economy. Even before the recent arrests, the poor standards of Caribbean banks impacted their ability to do business. "Due to compliance requirements it's getting more and more difficult for local banks to find a correspondent bank that will take Caribbean business," says David Jessop of the Caribbean Council, a UK-based trade advisory group.

But now the situation might worsen. A June 24 Forbes editorial argues, "[A] prosperous economic future for the rest of the world is dependent on the health of ‘tax havens’ like the Cayman Islands. If they’re seen as corrupt, and perhaps worse, as bullying of their people and press, the latter will embolden more traditional governments to more aggressively fleece their own citizens. If the world’s wealth creators lack squeaky-clean locales like the Caymans as an option, their economic chances vis-à-vis their own politicians won’t be as robust."

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