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Costa Rica was entangled in the scandal involving the International Federation of Association Football (FIFA) in May 2015, when the country’s top soccer authority, Eduardo Li, was arrested in Switzerland on charges of corruption, along with other world soccer officials (NotiCen, Jan. 28, 2015, and July 9, 2015).

Last October, after his extradition to the US, Li admitted before a New York court that he had accepted bribes regarding the Costa Rican national soccer team and had stolen money earmarked for organizing the Under-17 Women’s World Cup, the first world-class soccer event ever held in Central America. Li had been about to take office as FIFA’s vice president when he was arrested.

The Under-17 Women’s World Cup, held in 2014 in Costa Rica, became a focus of national pride as the championship took place during the administration of Laura Chinchilla (2010-2014), the first woman president in Costa Rican history. During the tournament’s opening ceremony at the National Stadium in San José, Chinchilla called the competition a major victory.

“It is so, for the world, because each moment we win in favor of fair sports competition is a moment we win in favor of universal harmony and peace,” she said. “It is so, also for sports, which through soccer manage to increasingly unite peoples in a single feeling and emotion. ... But this competition is, above all, a major victory for women, who are increasingly becoming more visible in soccer, as in so many other areas, thanks to their unrelenting spirit of struggle and achievement.”

A year after the games, Li, who as president of the Federación Costarricense de Fútbol (Costa Rican Soccer Federation, FEDEFÚTBOL) was responsible for organizing the event, was arrested in the devastating corruption scandal that rocked FIFA.

Among other illegal actions he has admitted to having committed, Li appropriated US$90,000 that FIFA transferred to FEDEFÚTBOL in support of the young women’s championship. He told the US District Court for the Eastern District of New York, where his case is being tried, that he had forged bills. He also pleaded guilty to charges of racketeering, wire fraud, and conspiracy to commit wire fraud.

A bribe from Florida

Li also admitted he was promised a US$500,000 bribe “from a person living in Florida” in exchange for authorizing friendly games for Costa Rica’s national team before the 2022 World Cup, scheduled for Qatar. The 2018 tournament is to be held in Russia. He explained that of this amount, he was paid US$300,000.

Li also stated that he was offered another US$500,000 bribe from an intermediary of a US company interested in supplying the team’s uniforms in the 2014-2015 period. He said he actually received US $230,000.
According to the local news outlet crhoy.com, in this specific case, Li used several intermediaries based in Panama. crhoy reported that the period investigated regarding this bribe coincides with FEDEFÚTBOL’s rupture with the Italian sports company Lotto and its new contract with the US firm New Balance for the team’s uniforms.

The confession that he used false invoices to get his hands on the US$90,000 earmarked for the women’s championship was the component that set off the alarm within FEDEFÚTBOL.

The Costa Rican influential daily La Nación broke the news on Oct. 8, quoting a US Justice Department press release, and triggered an immediate reaction from FEDEFÚTBOL.

At first, top federation authorities tried to evade responsibility for not having prevented Li from inappropriately taking the money for the tournament, and blamed one another for what they described as not having realized he was using forged bills. FEDEFÚTBOL officials said the cup’s local organizing committee was responsible for the day-to-day details of the tournament, while committee members claimed the federation was the overall authority.

Rodolfo Villalobos, now president of FEDEFÚTBOL and the federation’s treasurer at the time, told La Nación that the organizing committee “managed a completely separate structure, and I wasn’t a part of it.” His statement was countered by committee director Federico Rojas, who said that FEDEFÚTBOL had been in charge of paying championship bills.

“They had to pay the bills for services and all that kind of thing,” Rojas told La Nación. “The people who performed those functions were Eduardo Li and the FEDEFÚTBOL officials.” Rojas told La Nación he did not know how the bills were handled.

Since the news broke on Li’s statements in New York, Villalobos has repeatedly and emphatically told local media that the organizing committee, not FEDEFÚTBOL, was in charge of watching over the adequate use of FIFA money for the women’s tournament.

At different times, he told La Nación that the organizing committee “managed a completely separate structure, and I wasn’t a part of it,” and that Li’s statement before the New York court “is a very unpleasant surprise for all.”

In the midst of contradictory assertions by different FEDEFÚTBOL officials, the federation issued a press release on Oct. 9 announcing that it would carry out an inquiry of its own and decide on possible legal action.

“In view of Mr. Eduardo Li’s statements, FEDEFÚTBOL’s executive committee will investigate and take the necessary legal measures,” it said. “It is necessary to compensate the moral, social, and economic damage that has been caused, and to set responsibilities on whoever is responsible.”

Villalobos explained that the internal inquiry would cover two areas, which he described as the legal issue and the audit issue. On the first issue, David Gutiérrez, head of FEDEFÚTBOL’s legal commission, explained that his group had agreed to hire an external legal firm to give them advice on three topics: possible legal action against Li, issues such as uniforms and irregular payments, and the federation’s reputation. Regarding the second point, Evert Ortega, head of the federation’s auditing commission, said that the external audit would be aimed at reviewing the operations carried out for the 2014 championship.
Villalobos emphasized that “all measures needed will be taken to clarify and go to the very end” regarding Li’s case.

The 25-member FEDEFÚTBOL Assembly met on Oct. 15, and decided that the federation’s legal commission, with three extra members, would carry out the investigation.

“This commission must tender to hire a legal firm that will be in charge of a thorough investigation,” leading to “legal and criminal action, in the country [Costa Rica] or the US, to recover the money former FEDEFÚTBOL president Eduardo Li improperly took, according to his confession,” Villalobos told a press conference immediately after the meeting.

During the controversy, FEDEFÚTBOL secretary general Rafael “Fello” Vargas had rebutted Rojas’ statements that he, along with Li, had managed the economic aspect of the championship.

“Well, he’s lying. I had no [economic] dealings,” Vargas bluntly said, adding that “there was a structure for that.”

But on Oct. 29, FEDEFÚTBOL announced that it was suspending Vargas from the post he had held for three years. “For the sake of transparency and of strengthening the investigative process that will take place within this federation and of the ongoing legal processes in this country, it is unanimously agreed to indefinitely suspend Mr. Rafael Vargas,” it said.

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