

RED CARD

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RED CARD

FIFA AND THE FALL OF THE
MOST POWERFUL MEN IN SPORTS

KEN BENSINGER

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PROFILE BOOKS

First published in Great Britain in 2018 by
Profile Books Ltd
3 Holford Yard
Bevin Way
London
WC1X 9HD

www.profilebooks.com

First published in the United States of America by
Simon & Schuster, Inc.

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1 3 5 7 9 10 8 6 4 2

Printed and bound in Great Britain by Clays, St Ives plc

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A CIP catalogue record for this book is available from the British Library.

ISBN 978 1 78125 671 8
Export ISBN 978 1 78816 062 9
eISBN 978 1 78283 266 9



For among My people are found wicked men; They lie in wait as one who sets snares; They set a trap; They catch men. As a cage is full of birds, so their houses are full of deceit. Therefore they have become great and grown rich.

They have grown fat, they are sleek; Yes, they surpass the deeds of the wicked; They do not plead the cause, The cause of the fatherless; Yet they prosper, And the right of the needy they do not defend.

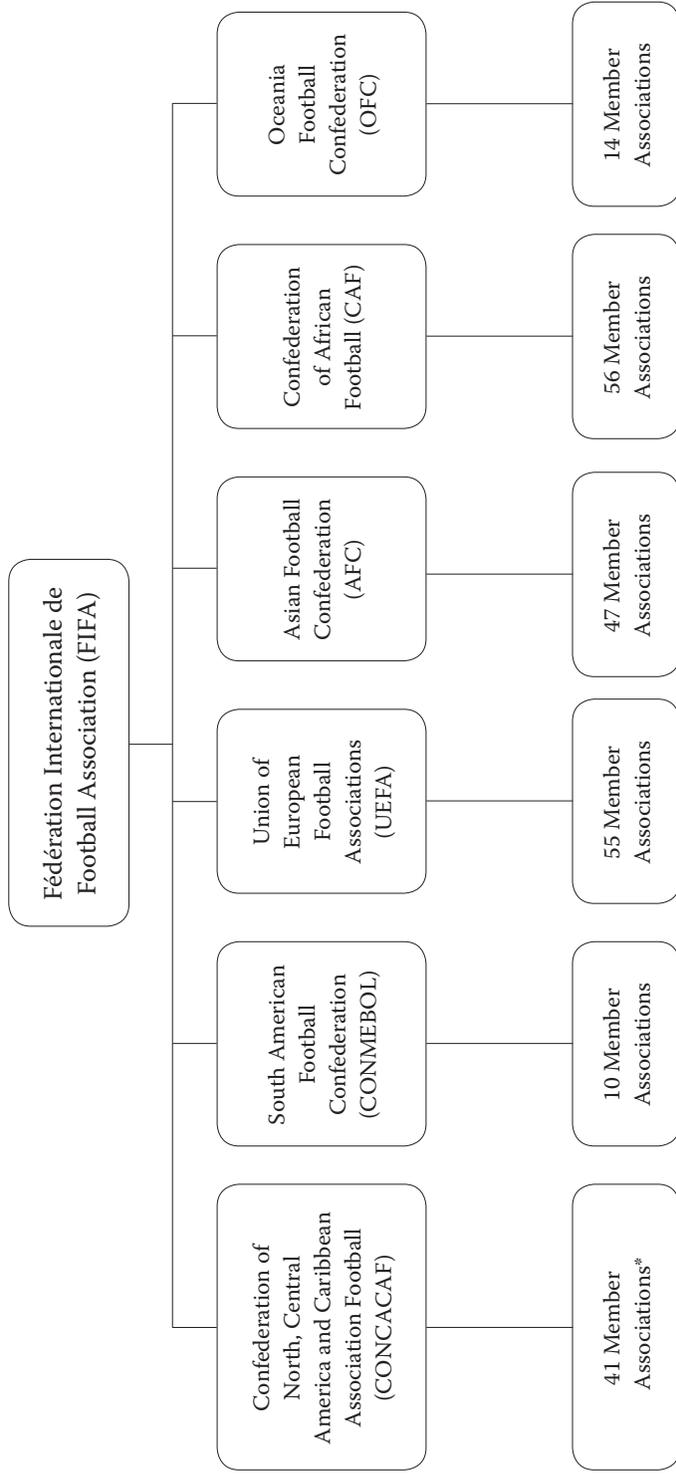
*“Shall I not punish them for these things?” says the LORD.
“Shall I not avenge Myself on such a nation as this?”*

—JEREMIAH 5:26–29

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*Most, but not all, confederation members are also full FIFA members. FIFA currently has 211 full member nations. The United Nations has 193.

CAST OF CHARACTERS

Fédération Internationale de Football Association (FIFA), Zurich

Jean-Marie Faustin Godefroid “João” Havelange, *president (1974–1998)*

Joseph “Sepp” Blatter, *president (1998–2015); general secretary
(1981–1998)*

Jérôme Valcke, *general secretary (2007–2015)*

Confederation of North, Central America and Caribbean Association Football (CONCACAF), New York & Miami

Austin “Jack” Warner, *president (1990–2011); FIFA vice president &
ExCo (1983–2011)*

Charles Gordon “Chuck” Blazer, *general secretary (1990–2011); FIFA
ExCo (1997–2013)*

Jeffrey Webb, *president (2012–2015); FIFA vice president & ExCo
(2012–2015)*

Enrique Sanz, *general secretary (2012–2015)*

Alfredo Hawit, *president (2015); FIFA vice president & ExCo (2015)*

Confederación Sudamericana de Fútbol (CONMEBOL), Asunción, Paraguay

Nicolás Leoz, *president (1986–2013); FIFA ExCo (1998–2013)*

Eugenio Figueredo, *president (2013–2014), vice president (1993–2013);
FIFA vice president and FIFA ExCo (2014–2015)*

Juan Ángel Napout, *president (2014–15); FIFA vice president & ExCo
(2015)*

**Asian Football Confederation
(AFC), Kuala Lumpur**

Mohamed bin Hammam, *president (2002–2011); FIFA ExCo (1996–2011)*

National Soccer Associations

Julio Humberto Grondona, *president, Asociación del Fútbol Argentino (1979–2014); FIFA vice president & ExCo (1998–2014)*

Ricardo Terra Teixeira, *president, Confederação Brasileira de Futebol (1989–2012); FIFA ExCo (1994–2012)*

José Maria Marin, *president, Confederação Brasileira de Futebol (2012–2015)*

Marco Polo Del Nero, *president, Confederação Brasileira de Futebol (2015–); FIFA ExCo (2012–2015)*

Sunil Gulati, *president, United States Soccer Federation (2006–2018); FIFA ExCo (2013–)*

Eduardo Li, *president, Federación Costarricense de Fútbol (2007–2015); FIFA ExCo (2015)*

Vitaly Mutko, *president, Russian Football Union (2005–2009; 2015–2017); FIFA ExCo (2009–2017)*

Rafael Esquivel, *president, Federación Venezolana de Fútbol (1988–2015)*

Manuel Burga, *president, Federación Peruana de Fútbol (2002–2014)*

Grupo Traffic, São Paulo & Miami

José Hawilla, *owner and founder*

Aaron Davidson, *president, Traffic Sports USA*

Torneos y Competencias, Buenos Aires

Alejandro Burzaco, *chief executive officer*

Full Play Group, Buenos Aires

Hugo Jinkis, *cofounder & co-owner*

Mariano Jinkis, *cofounder & co-owner*

International Soccer Marketing, Jersey City

Zorana Danis, *owner*

Federal Bureau of Investigation, New York Field Office

Mike Gaeta, *supervisory special agent*

Jared Randall, *special agent*

John Penza, *supervisory special agent*

**Internal Revenue Service Criminal Investigation
Division, Los Angeles Field Office**

Steven Berryman, *special agent*

J. J. Kacic, *special agent*

**United States Attorney's Office for the
Eastern District of New York, Brooklyn**

Loretta Lynch, *United States attorney (2010–2015); U.S. attorney
general (2015–2017)*

Evan M. Norris, *assistant United States attorney*

Amanda Hector, *assistant United States attorney*

Darren LaVerne, *assistant United States attorney*

Samuel P. Nitze, *assistant United States attorney*

Keith Edelman, *assistant United States attorney*

M. Kristin Mace, *assistant United States attorney*

BERRYMAN

SHORTLY AFTER TEN ON THE MORNING OF AUGUST 16, 2011, Steve Berryman, a forty-seven-year-old special agent for the Internal Revenue Service, was in his cubicle on the third floor of a huge federal office building known as the Ziggurat in Laguna Niguel, California, when his mobile phone vibrated. There was a new Google Alert email in his inbox.

Berryman, six feet tall and slender, with brown eyes so dark they looked almost black, thick eyebrows, pale skin, and a neatly trimmed white mustache that matched his slicked-back hair, had set up a number of such alerts. His choice of keywords betrayed a sensibility that, after twenty-five years at the IRS, had become highly refined when it came to financial crimes. Berryman had alerts for “money laundering”; “corruption”; “Bank Secrecy Act”; and “Foreign Corrupt Practices Act,” among many others. The messages arrived in batches throughout the day, delivering dozens of news articles from around the world about various cases of financial misbehavior that Berryman would quickly scan before returning to whatever case he happened to be working.

But this particular notification stopped him in his tracks. The alert was under the search term “bribery,” and contained a link to an article by the Reuters news service. The headline was “FBI Examines U.S. Soccer Boss’s Financial Records.”

The story described a set of documents, allegedly being scrutinized by the FBI, that outlined more than \$500,000 in suspicious payments received over a fifteen-year period by an American soccer official named Chuck Blazer.

Blazer was a high-ranking official of FIFA, the governing body of

world soccer. Berryman thought he might have heard his name somewhere, but he didn't recognize the photo of a scowling, tousle-haired man with bushy eyebrows and an unruly gray beard. An intoxicating surge of excitement swept over him as he reread the article several times, taking special note of the fact that Blazer had several offshore bank accounts, including one in the Cayman Islands.

He forwarded the article to his supervisor, Aimee Schabilion, then dashed into her office to make sure she'd read it.

"This could be huge," he said.

Berryman loved soccer ever since he was a kid.

He grew up in England, because his father was in the Air Force, and spent most of his first eleven years living outside military bases there, playing soccer most afternoons. When his family moved back to the States, settling in Southern California's hot, dusty Inland Empire, he couldn't find anyone to play with, so he transferred his soccer skills to the gridiron, becoming a star placekicker.

His strong left foot earned him an athletic scholarship to Eastern Illinois University. Berryman could launch the ball sixty-five yards through the uprights about three-quarters of the time, but was not good enough to cut it in the professional ranks. Berryman loathed the Midwest's bitter winters. As soon as he realized that his future wasn't going to be in the NFL, he abandoned his scholarship, transferred to Cal State San Bernardino, completed his degree in accounting, and signed up to become an IRS agent.

His first case was against the owner of a luxury hair salon who hadn't reported all of his income. Berryman spent his early years at the IRS investigating petty tax evaders and crooked accountants. But he was drawn to bigger, more complicated types of financial crime. He soon moved into narcotics, teaming up with other agencies on long, involved international investigations.

Berryman's big revelation, working those cases, was that drugs, guns, and violence were only half the story. A full accounting of the crimes could only be told once all the money had been traced. While DEA agents dreamed up dramatic stings aimed at turning up troves of

drugs, Berryman spent his time meticulously chasing the dealers' money around the world, adding additional charges—and, often, defendants—to the indictments. People were fallible, he realized. They played games, forgot facts, succumbed to temptation, exaggerated, and contradicted themselves. Documents never lied.

After having kids, Berryman and his wife bought a house close to the ocean. He transferred to the Laguna Niguel office of the IRS, deep in Orange County, where he began working on public corruption cases, including a massive investigation that landed the county's well-known sheriff, Mike Carona, in prison. He traveled to other field offices, teaching agents about the Foreign Corrupt Practices Act, spearheaded a public and foreign corrupt officials project in the IRS's main Los Angeles field office, and volunteered as a witness for federal prosecutors who needed experts on money laundering on the stand.

"I'm an accountant with a gun," Berryman liked to say. "What could be more fun?"

Berryman was not motivated, as some cops are, by a sense of moral indignity. Indeed, he often found himself admiring the men and women he pursued, wondering if, in other circumstances, they could have been friends. What made him tick, instead, was the thrill of the hunt.

He wasn't a lawyer, but he gained a reputation as a prosecutor's agent whose relentless focus on the mechanics of cases was matched only by his passionate attention to detail. Some higher-ups in the agency privately considered Berryman one of the best IRS agents in the entire country: ambitious and willing to travel and work as many hours as it took to make a case stick.

When he wasn't working, however, he was more likely than not thinking about soccer, which he called football, the word most of the planet uses for the game.

Berryman would wake up early on weekends, sometimes before five a.m., to watch his favorite team, Liverpool, play English Premier League matches on cable. In 2006, he and two friends traveled to the World Cup in Germany and attended all three games played by the U.S. national team, as well as a match between Brazil and Ghana. He played in an adult soccer league, coached his kids' teams, and frequently attended MLS matches. And like a lot of soccer fans, he'd become increasingly

dismayed by constant rumors of corruption and mismanagement at the sport's highest levels.

For years, Berryman had been hearing about greedy soccer officials stealing from the game, depriving teams, players, and especially fans of money that could improve and better develop the sport. But the problem had always seemed so distant. The reports were certainly troubling to someone who cared about soccer, but these things were happening in faraway places like Switzerland, Italy, or Africa, and at any rate certainly not in America, where soccer was still a second-rate sport, too minor for big-time corruption. Soccer might be dirty, but Berryman had never thought of the sport's problems as potentially criminal.

The Reuters article changed that. Blazer was an American, living in New York. That meant potential jurisdiction, the chance to apply one of Berryman's great passions, investigating financial crimes, to his other: the world's most popular sport.

If this homegrown soccer official had been involved in anything criminal, then Berryman believed he'd been born to figure out what that might be.

Taxes are so fundamental to the experience of being an American that they are seen as almost sacred: dull, number-laden documents that act as Rosetta stones to the secret financial lives of every person. The United States is one of only two countries in the world—the other being tiny, war-torn Eritrea—that requires citizens to file even when living abroad, and every year the Internal Revenue Service processes more than 150 million individual income tax returns.

There is in fact a special section of federal law dedicated to enshrining the private status of filings, prohibiting almost everyone, under pain of punishment, from viewing or disclosing income tax returns. That restriction includes law enforcement, up to and including the FBI itself, whose agents must jump through a series of legal hoops before they can so much as glance at a tax return.

There is one group entrusted by the government to review tax returns, a caste whose unique powers have perversely earned them society's fear and disgust: employees of the IRS. As an IRS agent, Steve

Berryman had the unique power to look at anyone's taxes, provided he had good cause to believe a crime might have been committed. Thanks to the Reuters piece, he could move forward.

Standing in his supervisor's office on that August Tuesday, he asked permission to pull Chuck Blazer's tax returns. Within minutes, he got his first glimpse of that crucial information.

Berryman was expecting some obvious omissions or telltale signs of hidden income. The result was far better than hoped. "No record found."

His eyes went wide. The system was telling him that Chuck Blazer hadn't filed his taxes in at least seventeen years.

It can be a misdemeanor to fail to file. But if Blazer had received any income anywhere, and intentionally hid it, that could elevate the omission to a felony. And if he had foreign bank accounts that he didn't report to the government, that was a felony as well.

Chuck Blazer, the only American on the Executive Committee of FIFA, the Fédération Internationale de Football Association, the supreme body overseeing all of global soccer, looked awfully like a tax criminal.

Heart pounding, Berryman dashed back into Schabillion's office. He explained who Blazer was, what FIFA did, and how this slam-dunk tax case he'd unearthed could be a foot in the door to something far bigger.

"Can I get involved?" he pleaded.

Berryman wasn't one to buck authority. But for the most part, his superiors trusted his ability to select cases that were worth his time, and they stayed out of the way. Schabillion had no problem with him looking into this, but what about the FBI? The article suggested it was already an open case. If he wanted to pursue it, he'd need to clear it with the Bureau first.

Berryman had no way of checking the FBI's computer systems to see if there was indeed an open case involving Blazer. So he called an FBI agent he'd worked with in Santa Ana and asked her to check for him.

The agent called back soon thereafter.

"Yes," she said. "There's an agent on it in New York."

There are dozens of federal law enforcement agencies in the United States, each with their own responsibilities and powers, down to the gun-toting agents of the National Zoological Park Police and the inspector general of the Small Business Administration.

But the largest, best funded, and most powerful of all is the Federal Bureau of Investigation. It has tens of thousands of agents, vast resources, and offices around the world. It is the star of America's legal show, basking in the attention lavished by journalists, Hollywood, and, particularly, members of Congress with budget authority. Although it's common for multiple law enforcement authorities to team up on cases, investigators from other agencies quickly learn to tiptoe when dealing with the FBI. It had an uncanny knack for always coming out on top.

Berryman asked his friend at the Bureau if she'd reach out to the agent in New York to see if he would consider discussing the case. You bet, she said. She'd get back to him when she heard something.

As he anxiously waited, Berryman learned everything he could about Blazer, FIFA, and international soccer. He stayed up late researching Jack Warner, a soccer official from Trinidad and Tobago who had cut \$512,750 in checks to Blazer that were now under scrutiny, according to the Reuters article, and the Confederation of North, Central America and Caribbean Association Football, which the two men had run together for more than two decades. He also read about a fabulously wealthy Qatari named Mohamed bin Hammam, who had helped the tiny Middle Eastern nation win the right to host the World Cup in 2022.

He soon began to imagine a possible case, the ways it could be investigated and prosecuted, and the reach it could have. With each passing day, Berryman's enthusiasm grew until he felt more excited about this lead than any in his career. He desperately wanted in.

He had no idea where the FBI's investigation had gone, but was certain its agents couldn't look at Blazer's tax returns without a court order. Berryman half-hoped that they were stuck. They needed an IRS agent on the case. That was the way to muscle his way in to the case, he thought, and Blazer could be just the beginning.

After nearly a week, the FBI agent in Santa Ana called again.

"The case agent's name is Jared Randall," she said, passing along his contact information. "He's open to it."

Berryman had been prescient.

Investigating Chuck Blazer's tax problem was like pulling someone over for a bum taillight only to discover a trunk stuffed with dead bodies.

Over the next four years, Berryman would work in secret with the FBI and federal prosecutors in Brooklyn to build one of the largest and most ambitious investigations of international corruption and money laundering in American history.

After almost a year, the FBI investigation was indeed stuck, mired in the challenges of taking on an institution as vast, complex, and powerful as FIFA. But thanks in great part to Berryman, the tiny case was about to explode, with the U.S. government confronting the fundamental business underpinning the world's most popular game. Dozens of people from more than fifteen different countries would eventually be charged with violating the United States' stiff racketeering, money laundering, fraud, and tax laws, exposed for their part in what prosecutors described as a decades-long, highly orchestrated criminal conspiracy calculated to twist the beloved sport to their selfish designs.

Many of those caught up in the investigation would throw themselves at the mercy of the Department of Justice, forfeiting hundreds of millions of dollars and quietly agreeing to cooperate. This allowed prosecutors to secretly cast the net ever wider as the sport's officials betrayed their friends and colleagues. The case finally became public with the dramatic arrest of seven soccer officials in an early morning raid in Switzerland in May 2015, shaking the foundations of the sport. Soon, nearly every significant official at FIFA was ousted, including its genial yet ruthless president, the Swiss Sepp Blatter. Prosecutors in countries around the world would be inspired to open their own separate criminal investigations, helping further reveal the ugly inner workings of the sport known as the beautiful game.

After decades of unchecked impunity in the face of scandals, the global soccer cartel was finally brought to its knees by one of the few countries in the entire world that didn't seem to care much about the sport at all. That irony wasn't lost on the game's hundreds of millions of fans around the globe, who found themselves in the unfamiliar position

of rooting for the United States to actually stick its nose in other countries' business: Uncle Sam, implausibly, had become soccer's biggest superstar.

When the clandestine case finally became public, critics accused the prosecution, led by a cerebral Harvard Law graduate named Evan Norris, of arrogance and overreach, arguing that America shouldn't try to police the entire planet or impose its laws on foreign countries. Others claimed the case represented its own kind of conspiracy, a plot by the world's wealthiest and most powerful nation to bring down a foreign sport it detested and feared. Perhaps the most popular theory was that the case was high-level retribution for passing over the U.S.'s bid to host the World Cup in 2022.

Prosecutors anticipated such concerns and went to great lengths to charge only crimes that allegedly took place—at least in part—on American soil or with the use of the American financial system. Awake to the emotional and political power of soccer in the rest of the world, the feds went to considerable lengths to protect the sensitivities of other nations and drive home the point that they weren't indicting the sport, only the men who had sullied its reputation. Indeed, they took pains to argue that soccer was itself the victim of the crimes being charged and had a right to eventually recover the money that had been stolen from it.

As for the notion that some insidious, vindictive, or downright xenophobic agenda was driving the case, the truth is the FIFA probe commenced months *before* the voting members of FIFA's powerful Executive Committee chose Qatar over the U.S. to host the sport's most important tournament.

America's case against soccer corruption didn't start at the top, some dictum from on high. It was the product of careful, patient police work by dedicated investigators; something that began small and grew into a far vaster endeavor than anyone involved could have imagined. And it is still very much ongoing.

The saga of corruption within FIFA and worldwide soccer as a whole is immeasurably complicated—far too sprawling to capture or make sense of in any comprehensive fashion in these pages. It encompasses decades of deceit, bribery, self-dealing, and impunity, all taking place as soccer expanded geometrically to become the planet's great sporting

juggernaut, a multibillion-dollar pastime driven by the ardent passions of its devoted fans.

This book traces the broadest outlines of a single criminal case notable for its numbing complexity and scope, one that pushed the boundaries of what anyone—especially disillusioned fans of the world's game—ever thought possible. It is also the tale of some of the people, brilliant and corruptible, dedicated and careless, humble and arrogant, loyal and treacherous, who made this the world's greatest sports scandal.