

The Confederation of North, Central American and Caribbean
Association Football (“CONCACAF”)

INTEGRITY COMMITTEE
REPORT OF INVESTIGATION

Presented to the Executive Committee of CONCACAF

April 18, 2013

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EXECUTIVE SUMMARY

This investigation was conducted by the Integrity Committee (the “Committee”) of the Confederation of North, Central American and Caribbean Association Football (“CONCACAF”) at the request of the Executive Committee of CONCACAF. The Executive Committee requested the investigation because public allegations and other information raised serious questions about the integrity of the former leadership of CONCACAF and threatened to undermine public confidence in CONCACAF.

The CONCACAF Executive Committee established the Integrity Committee by resolution, dated June 26, 2012, to investigate and report to the Executive Committee “on the facts surrounding several allegations in relation to specific issues involving CONCACAF.” The allegations concerned the following issues:

- (i) ownership of the Centre of Excellence (the “COE”);
- (ii) an apartment at Trump Tower and the application of CONCACAF’s funds in relation to the apartment;
- (iii) the whereabouts of funds generated by a contract between CONCACAF and Umbro International;
- (vi) the circumstances surrounding the purchase of two apartments in Miami and a Hummer vehicle;
- (v) the employment contract of the former General Secretary of CONCACAF, and in particular, the provisions of the contract relating to the payment of commissions and its expiration;
- (vi) CONCACAF’s failure to pay taxes and to file tax returns;
- (vii) the application or otherwise of CONCACAF’s funds over the past five years; and
- (viii) the completeness and accuracy of CONCACAF’s financial statements and audits for the past five years.

The Integrity Committee is comprised of the following three individuals:

- Sir David Anthony Cathcart Simmons, K.A., B.C.H., Q.C., is Chairman of the Integrity Committee. He was Attorney General (1985-1986; 1994-2001) and Chief Justice (2002-2010) of Barbados. He also was a Member of the Barbados Parliament (1976-2001).
- Judge Ricardo Urbina is a Member of the Integrity Committee. He served for 31 years as a judge in both the federal and local courts in the District of Columbia in the United States before recently retiring. Judge Urbina presided over numerous high-profile cases and issued over 1,000 memorandum opinions during his tenure on the bench. Before he became a judge, Judge Urbina was an Associate Professor of Law at Howard University School of Law.

- Ernesto Hempe is a Member of the Integrity Committee. He is a retired partner, and was Partner-in-Charge of Risk Management and Ethics, at PricewaterhouseCoopers Interamerica (Central America and the Dominican Republic). Hempe currently serves as General Coordinator of various projects in Panama financed by the Inter-American Development Bank and as an advisor to the Superintendency of Banks of Panama.

The Executive Committee conferred upon the Integrity Committee all of the regular powers of an investigative body, including the ability to call witnesses and to reach conclusions of fact, and granted the Committee complete independence in the conduct of its investigation. The Committee was provided with all of the resources and expertise necessary to conduct as thorough an investigation as was practicable. The Executive Committee engaged the U.S. law firm Sidley Austin LLP (“Sidley”) to advise and assist the Committee in its investigation and on its factual findings and conclusions, and authorized Sidley to engage BDO Consulting to provide forensic accounting services and to support the investigation by assisting with the collection and preservation of evidence. The Executive Committee also retained for the Committee a Secretariat to handle administrative aspects of the investigation.

The Integrity Committee commenced its work in September 2012. The investigation consisted of five components: (i) preservation, collection, and review of CONCACAF’s documents and other evidence; (ii) attempts to secure evidence from Austin Jack Warner (“Jack Warner” or “Warner”), the former President of CONCACAF, and Charles “Chuck” Blazer (“Chuck Blazer” or “Blazer”), the former General Secretary of CONCACAF; (iii) collection and review of evidence from sources external to CONCACAF; (iv) forensic review of CONCACAF’s finance and accounting records; and (v) interviews with relevant witnesses. The Committee empowered counsel to conduct interviews and report to the Committee during regular meetings in the form of oral presentations and interview memoranda.

Jack Warner and Chuck Blazer were central figures in this investigation. The Committee corresponded with Warner and Blazer in an effort to secure their participation in the investigation and their evidence, but each declined the Committee’s requests. Relevant correspondence between the Committee and Warner and Blazer is attached to this report. As a result of their decisions not to participate, the Committee did not have their statements to use in response to evidence that appears to implicate them. This lack of evidence, however, was counterbalanced by credible documentary evidence that spoke clearly and cogently about the conduct of each of them. The Committee was careful to rely upon credible documentary evidence wherever possible because, in most instances, the documents provided a compelling account of what happened. The Committee also carefully considered witness statements and credited such statements where circumstances or corroboration warranted such a view.

After the Committee determined the facts, it applied various legal standards as well as standards established in CONCACAF’s governing documents to reach conclusions about the conduct of Warner and Blazer. More specifically, the Committee sought to determine whether Warner or Blazer: (i) committed fraud or misappropriated funds; (ii) violated U.S. federal income tax laws; (iii) breached their fiduciary duties to CONCACAF or CONCACAF Marketing & TV, Inc. (“CMTV”); (iv) violated the CONCACAF Statutes; or (v) violated the FIFA Code of Ethics (the “FIFA Ethics Code”). Because this matter potentially implicates a number of jurisdictions, both inside and outside of the United States, the Committee employed

broad, general definitions for fraud and misappropriation that are intended to capture conduct prohibited by law in most, if not all, jurisdictions. The Committee then applied a “balance of probabilities” standard (also known as a “preponderance of the evidence”) to reach conclusions about the facts.

After careful consideration of the totality of the evidence available to the Committee, the Committee determined that, on the balance of probabilities, the evidence supports the following conclusions which are addressed more thoroughly in this report:

A. In connection with the Centre of Excellence and CONCACAF operations in Trinidad and Tobago:

- Warner Committed Fraud Against CONCACAF and FIFA
- Warner Committed Fraud and Misappropriated Funds from FFA
- Warner and Blazer Breached Their Fiduciary Duties to CONCACAF
- Warner and Blazer Violated the CONCACAF Statutes
- Warner Violated the FIFA Ethics Code

The Committee concluded that Jack Warner committed fraud against CONCACAF and FIFA in connection with the COE in two ways. First, Warner secured funds from FIFA and CONCACAF by falsely representing, and intentionally creating a false impression, that the land on which the COE was developed was owned by CONCACAF when he knew that it was in fact owned by his own companies. Second, Warner induced FIFA to transfer funds that were intended for development of the COE to himself personally by falsely representing that bank accounts to which FIFA should send the funds were CONCACAF accounts when he knew that in fact he controlled them personally. The Committee also concluded that Warner committed fraud and misappropriated funds that were sent by Football Federation Australia (“FFA”) to CONCACAF for development of the COE, and that he breached his fiduciary duties to CONCACAF through fraud and misappropriation of funds. The Committee further concluded that Warner violated the CONCACAF Statutes by arranging for others to sign loan guarantees related to the COE on behalf of CONCACAF without obtaining approval from the Congress, and that Warner violated the FIFA Ethics Code by engaging in self-dealing through fraud and misappropriation. Finally, the Committee concluded that Chuck Blazer breached his fiduciary duties to CONCACAF, and violated the CONCACAF Statutes, in connection with the COE and CONCACAF operations in Trinidad and Tobago, by abandoning his obligations to manage CONCACAF’s finances and its properties.

B. In connection with the compensation of, and use of CONCACAF assets by, the former General Secretary:

- Blazer Misappropriated CONCACAF Funds
- Warner and Blazer Breached Their Fiduciary Duties to CONCACAF
- Blazer Violated the CONCACAF Statutes
- Blazer Violated the FIFA Ethics Code

The Committee concluded that Chuck Blazer misappropriated CONCACAF funds in two ways. First, after his contract with CONCACAF expired on July 17, 1998, Blazer caused CONCACAF to make over \$15 million in payments to Blazer in the form of commissions, fees, and rent expenses without obtaining proper authorization. Second, Blazer misappropriated CONCACAF funds to finance his personal lifestyle by causing CONCACAF to, among other things: subsidize rent on his residence in the Trump Tower in New York; purchase apartments at the Mondrian, a luxury hotel and residence in Miami; sign purchase agreements and pay down payments on apartments at the Atlantis resort in the Bahamas; and obtain insurance coverage for his personal residence and automobile and employee health insurance for himself and his girlfriend. The Committee further concluded that Blazer breached his fiduciary duties to CONCACAF through such self-dealing and that he violated the CONCACAF Statutes by not properly managing CONCACAF's financial affairs. The Committee also concluded that, beginning in 2006, Blazer violated the FIFA Ethics Code by paying himself in the form of commissions without obtaining express authorization from the CONCACAF Executive Committee or the Congress. The Committee concluded that Jack Warner breached his fiduciary duties to CONCACAF in connection with Blazer's compensation because Warner was aware that, after July 17, 1998, Blazer had no employment contract but continued to pay himself without authorization for 13 years, and Warner did not raise the matter with the CONCACAF Executive Committee.

C. In connection with the failure of CONCACAF and its subsidiary, CMTV, to file U.S. federal income tax returns and pay taxes:

- Blazer Violated U.S. Federal Tax Laws
- Blazer Breached His Fiduciary Duties to CONCACAF and CMTV
- Blazer Violated the CONCACAF Statutes

The Committee concluded that Chuck Blazer violated U.S. federal tax laws by willfully failing to file federal tax returns and willfully failing to pay taxes on behalf of CMTV for the years 2004 to 2010 and by failing to file federal tax returns for CONCACAF for the years 2006 to 2010. The Committee also concluded that, by not addressing the tax obligations of CONCACAF and CMTV, Blazer breached his fiduciary duties to CONCACAF and CMTV and violated the CONCACAF Statutes which charged him, as General Secretary, with the duty to manage CONCACAF's financial affairs.

D. In connection with CONCACAF's financial statements and audits:

- Warner and Blazer Committed Fraud Against CONCACAF
- Warner and Blazer Breached Their Fiduciary Duties to CONCACAF
- Warner and Blazer Violated the CONCACAF Statutes

The Committee concluded that Jack Warner and Chuck Blazer committed fraud against CONCACAF in connection with the CONCACAF financial statements and external audits in two ways. First, Warner and Blazer repeatedly issued financial statements that they knew contained misrepresentations and material omissions. Second, they represented that the financial statements were subject to independent audits when they knew that the auditor used

by CONCACAF was not independent and did not engage in activities one would normally associate with an audit. The Committee also concluded that Warner and Blazer breached their fiduciary duties to CONCACAF and violated the CONCACAF Statutes through the same fraudulent conduct.

The Committee finalized this report in April 2013, and at last writing, the Committee was scheduled to discharge its duties by presenting its findings and this report to the CONCACAF Executive Committee in Panama City, Panama on April 18, 2013. The presentation to the Executive Committee was scheduled to take place one day before the annual meeting of the CONCACAF Congress in Panama City on April 19, 2013.

I. BACKGROUND

A. The Organization

1.1. The Confederation of North, Central American and Caribbean Association Football (“CONCACAF”) is one of six continental bodies that administer the sport of football along with Fédération Internationale de Football Association (“FIFA”), the world governing body for football.¹ CONCACAF is currently based in Miami, Florida, and was founded on September 18, 1961 through the merger of the North American Football Confederation and the Confederación Centroamericana y del Caribe de Fútbol.² CONCACAF’s mission is to support football in North America, Central America, the Caribbean, and three South American countries (Guyana, Suriname and French Guiana) by providing services to its 40 national football association members.³

1.2. CONCACAF was registered and incorporated in the Bahamas on September 19, 1994, as a company limited by guarantee under the provisions of the Companies Act of 1992.⁴ The liability of its members is limited and CONCACAF is licensed to trade as a non-profit company.⁵

1.3. In addition to governing the sport of football for its region, CONCACAF organizes competitions, offers training courses in technical and administrative aspects of the sport, and generally works to develop football.⁶ CONCACAF organizes tournaments on one, two, and four-year cycles for clubs and national teams throughout the region.⁷ CONCACAF currently administers two main tournaments: the Gold Cup and the Champions League.⁸

1.4. The Gold Cup – a biennial nations championship for North and Central America and the Caribbean – is CONCACAF’s premier event.⁹ The Gold Cup evolved from a series of championship tournaments in the region dating back to 1941 and assumed its current form in 1991.¹⁰ Once every four years, the winner of the Gold Cup serves as the region’s entrant in the

¹ What is CONCACAF?, CONCACAF, <http://www.concacaf.com/page/History/0,,12813,00.html> (last visited Apr. 17, 2013).

² Id.

³ Id.

⁴ DOC5930810.

⁵ Id.

⁶ What is CONCACAF?, CONCACAF, <http://www.concacaf.com/page/History/0,,12813,00.html> (last visited Apr. 17, 2013).

⁷ See id.

⁸ CONCACAF Gold Cup Competition, Gold Cup, <http://www.goldcup.org/page/GoldCup/Competition/0,,12802,00.html> (last visited Apr. 17, 2013); Basics, CONCACAF Champions, <http://www.concacafchampions.com/page/CL/Basics/0,,12856,00.html> (last visited Apr. 17, 2013).

⁹ CONCACAF Gold Cup Competition, Gold Cup, <http://www.goldcup.org/page/GoldCup/Competition/0,,12802,00.html> (last visited Apr. 17, 2013).

¹⁰ Id.

FIFA Confederations Cup, a tournament of national teams that serves as a prelude to the FIFA World Cup.¹¹

1.5. The Champions League is an annual international club football championship for teams from North and Central America and the Caribbean.¹² The winner of the Champions League qualifies for the FIFA Club World Cup.¹³ The Champions League evolved from a series of championships in the region dating back to 1962 and assumed its current form in 2008.¹⁴

1.6. CONCACAF also helps to organize qualifying tournaments and regional championships for the FIFA World Cup, the FIFA Women's World Cup, FIFA tournaments at under-17, under-20 and under-23 youth levels, the FIFA Beach Soccer World Cup, and the FIFA Futsal World Cup.¹⁵

1. Relationship with FIFA

1.7. CONCACAF is represented within FIFA by three representatives who serve on FIFA's Executive Committee.¹⁶ One of these representatives serves as a Vice President of FIFA.¹⁷ The CONCACAF representatives on FIFA's Executive Committee are chosen by CONCACAF's Congress.¹⁸ Each of CONCACAF's three regions – North America, Central America, and the Caribbean – is represented through one of the FIFA Executive Committee membership seats.¹⁹

2. Relationship with Regional Football Unions

1.8. Two regional unions support CONCACAF: the Caribbean Football Union (the "CFU") and La Unión Centromericana de Fútbol ("UNCAF"). These unions organize regional and qualifying events for men's and women's national teams, as well as qualifying events for club teams, that are seeking to compete in different CONCACAF tournaments. The CFU is comprised of 30 member associations. The CFU has its own Congress, Executive Committee,

¹¹ Id.

¹² Basics, CONCACAF Champions, <http://www.concacafchampions.com/page/CL/Basics/0,,12856,00.html> (last visited Apr. 17, 2013).

¹³ Id.

¹⁴ Id.

¹⁵ What is CONCACAF?, CONCACAF, <http://www.concacaf.com/page/History/0,,12813,00.html> (last visited Apr. 17, 2013).

¹⁶ CONCACAF Statutes (2006), Arts. 3(7), 20(a), available at <http://www.concacaf.com/staticFiles/af/41/0,,12813~147887,00.pdf> (last visited Apr. 17, 2013); see also FIFA Statutes (2012), Art. 30(4), available at <http://www.fifa.com/mm/document/affederation/generic/01/66/54/21/fifastatutes2012e.pdf> (last visited Apr. 17, 2013).

¹⁷ CONCACAF Statutes (2006), Arts. 3(7), 20(a); see also FIFA Statutes (2012), Art. 30(4).

¹⁸ CONCACAF Statutes (2006), Arts. 3(7), 20(a).

¹⁹ Id., Art. 43.

General Secretariat, and Standing Committees.²⁰ The CFU's stated objectives include the governance and promotion of football in the Caribbean region.²¹ UNCAF is comprised of the national associations of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.²² UNCAF has its own Congress, Executive Committee, General Secretary, and committees.²³ UNCAF's stated objectives include promoting and supervising football within its region; coordinating relationships within international sports; and ensuring its members' adherence to the FIFA Ethics Code.²⁴ A third regional association, the North American Football Union, which is comprised of Canada, Mexico, and the United States, is inactive.

B. CONCACAF Organizational Structure

1.9. The Statutes of CONCACAF (the "CONCACAF Statutes") establish CONCACAF's organizational structure and allocate powers among its branches. In accordance with the CONCACAF Statutes, CONCACAF is made up of three branches: (i) the Congress, which forms the legislative branch and is the "supreme authority of CONCACAF;" (ii) the Executive Committee, which forms the executive branch (together with the Emergency Committee which has certain powers and is comprised of a subset of the Executive Committee); and (iii) the General Secretariat, which forms the administrative branch.²⁵ CONCACAF's Articles of Association (the "CONCACAF Articles"), as filed in the Bahamas, reflect the provisions of the CONCACAF Statutes.²⁶

1. The Congress

1.10. The Congress is made up of a delegation from each national member association. Each association may send three individuals to the CONCACAF Congress, and the delegation as a whole can cast a single vote in the Congress.²⁷ Meetings of the CONCACAF Congress are either Ordinary or Extraordinary.²⁸ The duties of the Ordinary Congress include, among other things, the election of CONCACAF's Executive Committee and its FIFA delegation; the admission of geographically appropriate national member associations; the approval of loans; the authorization of real estate purchases, sales, and mortgages exceeding \$100,000 in value;²⁹ and

²⁰ CFU Constitution, Art. 5, available at http://www.caribbeanfootballunion.org/home/2010pdf/constitution_cfu.pdf (last visited Apr. 17, 2013).

²¹ Id. Art. 2.

²² UNCAF, <http://uncaf.net/> (last visited Apr. 17, 2013).

²³ Estatutos de UNCAF (UNCAF Statutes) (2008), Art. 11, available at [http://uncaf.net/portal/uploads/PDdownloads/estatutos_uncaf_\(final\).pdf](http://uncaf.net/portal/uploads/PDdownloads/estatutos_uncaf_(final).pdf) (last visited Apr. 17, 2013).

²⁴ Id. Art. 2.

²⁵ CONCACAF Statutes (2006), Arts. 11, 12, 30.

²⁶ Compare CONCACAF Articles, with CONCACAF Statutes (2006).

²⁷ CONCACAF Statutes (2006), Art. 18.

²⁸ Id. Art. 12.

²⁹ Unless specifically noted, all references to monetary amounts within this report refer to U.S. Dollars.

the approval of budgets and financial statements as presented by the Executive Committee.³⁰ The Extraordinary Congress has the power to impose, interpret, modify, and repeal CONCACAF's laws.³¹

2. The Executive Committee

1.11. The Executive Committee is made up of seven members, elected by the Congress.³² The President of CONCACAF is Chairman of the Executive Committee, and is joined on the Executive Committee by three Vice Presidents and three Members.³³ One Vice President and one Member must represent each of the three CONCACAF zones: North America, Central America, and the Caribbean.³⁴ Each Executive Committee member serves a four-year term of office.³⁵ The CONCACAF Articles define “the Executive Committee” as “the Board of Directors for the Company.”³⁶ The duties of the Executive Committee include, among other things, the administration of CONCACAF; the appointment of the General Secretary and the members of any commission; the submission of an annual budget and financial statements to the Congress; and the resolution of conflicts among national member associations.³⁷ The President of CONCACAF has certain specific powers, including the power to authorize extraordinary expenditures, and the power to cast tie-breaking votes in the Congress.³⁸ Otherwise, the President has no vote in the Congress.³⁹ The Emergency Committee is comprised of the President and the three Vice Presidents, and is empowered to deal with all matters requiring immediate attention.⁴⁰ In addition, the CONCACAF Statutes identify certain standing committees that are designated to deal with specific issues such as competitions, public affairs, discipline, referees, legal issues, and finance.⁴¹

3. The General Secretariat

1.12. The General Secretariat is headed by a Secretary General, who is appointed by the Executive Committee and is tasked with the administration of CONCACAF and the management of its properties.⁴² The Secretary General is commonly referred to as the “General Secretary.”

³⁰ Id. Art. 20.

³¹ Id. Art. 21.

³² Id. Arts. 24, 25.

³³ Id. Art. 24.

³⁴ Id.

³⁵ Id. Art. 25.

³⁶ CONCACAF Articles ¶ 1(8).

³⁷ CONCACAF Statutes (2006), Art. 28.

³⁸ Id. Art. 29.

³⁹ Id.

⁴⁰ Id. Art. 30.

⁴¹ Id.

⁴² Id. Art. 38.

The General Secretary's responsibilities include, among other things, the appointment of CONCACAF personnel and the management of CONCACAF's finances.⁴³ According to the CONCACAF Statutes, the General Secretary may be compensated or uncompensated.⁴⁴ If uncompensated, the General Secretary is entitled to "representation expenses," which are to be approved by the Congress.⁴⁵

C. Leadership and Growth of CONCACAF

1.13. Prior to 2012, only three Presidents led CONCACAF during its 50-year history. CONCACAF's first President was Ramon Coll Jaumet from Costa Rica, who led CONCACAF from 1961 to 1968. Thereafter, Joaquín Soria Terrazas from Mexico led CONCACAF for more than 20 years, from 1968 to 1990. In 1990, Austin Jack Warner ("Jack Warner" or "Warner") from Trinidad and Tobago was elected to the office of President and served in that position for more than 20 years until 2011.

1.14. Shortly after Jack Warner was elected President in 1990, Charles "Chuck" Blazer ("Chuck Blazer" or "Blazer") was appointed General Secretary of CONCACAF. Blazer previously had served as an official in the United States Soccer Federation and had actively supported Warner's efforts to secure the CONCACAF Presidency. With Blazer's support, Warner was able to transform his candidacy into a successful bid from what had once been a long-shot challenge to an entrenched incumbent.

1.15. When Warner and Blazer assumed their leadership positions, CONCACAF was a languishing confederation with few resources, little or no sponsorships or broadcast revenues, and events and competitions that, at best, had achieved limited success. During the next 21 years, Warner and Blazer together led CONCACAF through an extended period of development and prosperity in which sanctioned football-related activities increased steadily and CONCACAF grew substantially. By 2010, CONCACAF's annual revenues, as set forth in its annual financial statements, had grown to more than \$25 million (\$35 million in 2009, a Gold Cup year), its total reported assets exceeded \$45 million, and CONCACAF's full-time employees totaled more than 30.

1.16. During the time they led CONCACAF, Warner and Blazer served in other leadership positions in the world of football. In 1998, Warner – who became a member of the FIFA Executive Committee in 1983 – was elevated to the position of Vice President of the Executive Committee of FIFA. Warner also served for many years as President of the CFU, and he served as "Special Advisor" to the Trinidad and Tobago Football Federation (the "TTFF").⁴⁶

⁴³ Id. Art. 39.

⁴⁴ Id. Art. 38.

⁴⁵ Id.

⁴⁶ Warner reportedly controlled the TTFF, notwithstanding this unofficial position in the organization. Witness Interview Memorandum.

Blazer became a member of the Executive Committee of FIFA in 1996 and still holds that position.⁴⁷

1.17. In 2011, Warner and Blazer each resigned from their leadership positions within CONCACAF, and Warner resigned from his leadership positions within FIFA and the CFU. The resignations came on the heels of public allegations of misconduct that were directed separately against Warner and Blazer, including public allegations of misconduct that Warner and Blazer leveled against each other.

D. CONCACAF Operations

1.18. By 2011, CONCACAF had operations in four locations: (i) New York; (ii) Miami; (iii) Guatemala; and (iv) Trinidad and Tobago.

1.19. From 1990 to 2012, CONCACAF's headquarters were located in New York City. New York was selected as the location for CONCACAF's headquarters because of its prominent international status and the fact that it was the home of the General Secretary, Chuck Blazer. During the early years of his tenure, when CONCACAF's staff consisted of a small number of employees, Blazer established CONCACAF's headquarters in office space located within the Trump Tower in New York. As Blazer and Jack Warner steadily grew CONCACAF, the number of CONCACAF's staff grew as well. Eventually, CONCACAF's New York office occupied an entire floor in the Trump Tower, which included a full broadcast studio. By 2011, the New York office staff had grown to approximately 30 employees working within competitions, marketing, administrative, member relations, accounting, and IT departments that supported CONCACAF's growing operations.

1.20. In 2003, CONCACAF formed a wholly-owned subsidiary, CONCACAF Marketing & TV, Inc. ("CMTV"), which was established as a corporation under the laws of Florida. In 2008, CONCACAF opened an office in Miami to house the CMTV operations. Miami was chosen as the location for CMTV's operations because of its close proximity to many of CONCACAF's business partners in Latin America and the Caribbean. At the time the Miami office opened, its staff consisted of five employees. That office also steadily grew. It initially functioned as a support center for CONCACAF's Champions League tournaments and other events in Latin America and the Caribbean. Eventually, it handled some of CONCACAF's marketing and broadcasting efforts.

1.21. In 2012, CONCACAF moved its headquarters from New York to Miami. This move was prompted by Miami's proximity to CONCACAF's business partners and by its central location to most of CONCACAF's member nations within Central America and the Caribbean. The Miami office now has 20 employees and nearly all of the business departments previously located in New York have transitioned to the new headquarters.

⁴⁷ DOC05930814. In February 2013, Blazer announced that he would leave his position as the North American member of FIFA's Executive Committee in May 2013, and would not seek re-election for a fifth term. FIFA Whistleblower Will Not Seek Re-Election, N.Y. TIMES (Feb. 16, 2013), <http://www.nytimes.com/2013/02/17/sports/soccer/fifas-chuck-blazer-will-not-seek-re-election.html>.

1.22. CONCACAF also maintains a small regional office in Guatemala. This office is shared with UNCAF and supports CONCACAF's activities in Central America including support for CONCACAF's Champions League tournaments.

1.23. Until 2012, CONCACAF also maintained a regional office in Trinidad and Tobago managed by Warner (the "President's Office"). This office was intended to provide the CONCACAF President with the administrative support required to perform his duties,⁴⁸ but it also was utilized to support CONCACAF's Caribbean operations and activities. At times, it operated as a CFU office.⁴⁹ Warner had complete control over the President's Office.⁵⁰ Witnesses stated that Warner used it for work related to CONCACAF, the CFU, the TTF, and at times, his personal and political activities.⁵¹ The President's Office staff appears to have had a wide variety of duties related to all of Warner's activities. Although some employees had the perception that they were employed by CONCACAF, the Committee was unable to determine if particular employees were in fact employed by CONCACAF, the CFU, or some other entity controlled by Warner.⁵²

1.24. As explained more fully below, CONCACAF funded the development and operations of the Centre of Excellence (the "COE"), a multi-purpose complex situated on the outskirts of Port of Spain, Trinidad and Tobago. The COE began operations in 1997 but the facility officially opened in 1998. It was originally named the "CONCACAF Centre of Excellence," but its name was changed to the "Dr. João Havelange Centre of Excellence" at a ribbon-cutting ceremony in 1998 in honor of former FIFA President, Dr. João Havelange.

1.25. The COE was intended to act as an all-purpose football training and development complex that would cater to all of the football needs of CONCACAF's member nations. Since its opening, the COE has hosted various football-related activities and training courses. The COE includes the Marvin Lee Stadium, which has hosted various football tournaments and matches and is the home venue for a local football club owned by Warner. For a considerable period of time after its opening, the COE was managed by one of Warner's sons, but witnesses stated that Warner himself closely managed operations at the COE.⁵³

E. Meetings of the Executive Committee and Congress

1.26. From at least 1993 through 2010, CONCACAF's Executive Committee met twice each year, typically in the spring and fall. In 2011, the Executive Committee began meeting

⁴⁸ In 2013, CONCACAF established an office in the Cayman Islands to provide the current CONCACAF President with the administrative support required to perform his duties.

⁴⁹ Witness Interview Memorandum.

⁵⁰ Witness Interview Memorandum.

⁵¹ Witness Interview Memorandum. Warner has also held elected positions within the Trinidad and Tobago government, and is currently serving as the Minister of National Security of Trinidad and Tobago.

⁵² Witness Interview Memorandum.

⁵³ Witness Interview Memoranda.

three times per year.⁵⁴ The Executive Committee meetings are usually private, attended only by Executive Committee members, CONCACAF staff who assist with the meeting presentations or logistics, and other invited guests.

1.27. From at least 1990 through 2006, the CONCACAF Congress met every two years, typically in April or May. In 2006, the Congress began to meet annually.⁵⁵ These meetings are often private, attended by CONCACAF Congress delegates (three for each member nation), CONCACAF Executive Committee members, CONCACAF staff who assist with the meeting presentations or logistics, and other invited guests.

1.28. Since at least 1990, minutes were drafted for all CONCACAF Executive Committee and Congress meetings. Most, but not all, of the minutes were preserved by CONCACAF. Beginning in 2001, CONCACAF began to make audio recordings of Executive Committee and Congress meetings. Most, but not all, of the audio recordings were preserved by CONCACAF. In 2007, CONCACAF began to make video recordings of some, but not all, of the CONCACAF Executive Committee and Congress meetings. All of the video recordings were preserved by CONCACAF.

⁵⁴ DOC05931298.

⁵⁵ DOC05931290.

II. ALLEGATIONS OF MISCONDUCT INVOLVING CONCACAF OFFICIALS

2.1. In recent years, the sport of football worldwide has been subject to media reports and other allegations of corruption and self-dealing by officials and administrators. These allegations have at times involved Jack Warner or Chuck Blazer. Allegations of corruption and self-dealing have the obvious potential to impair CONCACAF's reputation for integrity. CONCACAF's reputation for integrity is vital to its effectiveness and success in light of its role in governing and administering football as well as its role in sponsoring major public tournaments.

2.2. In 2006, Warner was implicated in a public scandal involving the reselling of large blocks of tickets to the 2006 World Cup at inflated prices. The tickets were made available to certain football officials by the FIFA ticket office with the understanding that, if they were resold, it would not be for more than face value. Investigations resulted in FIFA fining Warner's son \$1 million for reselling the tickets, which were acquired from FIFA under Warner's name, through a travel agency owned by Warner and his family.⁵⁶

2.3. Other reports alleged that Warner sought funds from the English Football Association to subsidize the \$1.6 million cost of the 2010 World Cup television rights for Haiti following the 2010 earthquake. FIFA denied that Haiti was granted a public viewing license for the competition and said it had no discussions anywhere in the world for an amount as large as \$1.6 million.⁵⁷ In 2011, media accounts alleged that Warner had sublicensed the CFU's 2010 and 2014 World Cup television rights to one of his companies, and in 2007 sold the rights for millions of dollars without disclosing his financial interest.⁵⁸

2.4. The most high-profile of the allegations against Jack Warner involved bribery allegations against Warner and Mohamed bin Hammam ("Bin Hammam") during Bin Hammam's 2011 campaign for the office of President of FIFA. A FIFA Ethics Committee report concluded that there was "comprehensive, convincing and overwhelming" evidence that Bin Hammam sought to bribe officials and that Warner was an "accessory" to this corruption.⁵⁹ The FIFA investigation commenced after allegations against Warner and Bin Hammam were reported to FIFA by Chuck Blazer.

⁵⁶ Jeré Longman & Doreen Carvajal, FIFA Power Broker Is Out After Years of Whispers, N.Y. TIMES (June 20, 2011), <http://www.nytimes.com/2011/06/21/sports/soccer/jack-warner-fifa-and-concacaf-power-broker-resigns.html>.

⁵⁷ David Bond, E-mail Adds to Pressure on FIFA's Jack Warner, BBC (May 26, 2011), <http://www.bbc.co.uk/sport/0/football/13559384>.

⁵⁸ FIFA Ends Warner TV Deal, TRINIDAD EXPRESS (Sept. 8, 2011), http://www.trinidadexpress.com/sports/FIFA_ends_Warner_TV_deal-129507108.html.

⁵⁹ Mitch Phillips, FIFA Found "Overwhelming" Evidence of Bribery, REUTERS (June 22, 2011), <http://www.reuters.com/article/2011/06/22/us-soccer-fifa-idUSTRE75L4PY20110622>.

2.5. Following the bribery scandal, in June 2011, Warner resigned from all of his leadership positions in football, including his positions with FIFA, CONCACAF, and the CFU.⁶⁰ Warner then went on the offensive against his former partner Blazer. In the same month, Warner publicly alleged that Blazer had misused CONCACAF funds by secretly arranging for CONCACAF to pay rent on his New York apartment and by purchasing two apartments in 2010 in CONCACAF's name in Miami's South Beach district without the knowledge of Warner or the other members of the CONCACAF Executive Committee.⁶¹ Warner also alleged that Blazer had once misappropriated quarterly payments of \$12,000 from Umbro International, one of CONCACAF's former sponsors.⁶²

2.6. In October 2011, Blazer announced that he would resign as General Secretary of CONCACAF effective December 31, 2011.⁶³

2.7. In February 2012, the TTFE alleged that Warner misappropriated hundreds of thousands of dollars of funds donated to Haiti by FIFA and the Korea Football Association following the 2010 earthquake.⁶⁴ And in May 2012, reports emerged that the Dr. João Havelange Centre of Excellence (the "COE") in Trinidad and Tobago was owned by two of Warner's companies and not by CONCACAF as had been widely believed.⁶⁵ The media also reported in 2011 that the U.S. Federal Bureau of Investigation was investigating hundreds of thousands of dollars in secret payments from CFU accounts tightly controlled by Warner to offshore Bahamas and Cayman Islands accounts operated by Blazer.⁶⁶ The Court of Arbitration for Sport issued a ruling in 2012 related to the secret payments in which it determined that there was ample evidence to conclude that Warner co-mingled CFU and personal funds in CFU bank

⁶⁰ Tariq Panja, FIFA Vice President Jack Warner Resigns from All His Soccer Posts, BLOOMBERG (June 20, 2011), <http://www.bloomberg.com/news/2011-06-20/fifa-vice-president-jack-warner-resigns-from-all-his-soccer-posts.html>.

⁶¹ Richard Conway, Blazer Faces Apartment Rent Claim, BBC (Jun 8, 2012), <http://www.bbc.co.uk/sport/0/football/18367869>.

⁶² Id.

⁶³ Samuel Rubinfeld, Chuck Blazer to Step Down From CONCACAF, WALL ST. J. (Oct. 6, 2011), <http://blogs.wsj.com/corruption-currents/2011/10/06/chuck-blazer-to-step-down-from-concacaf>.

⁶⁴ TTFE Claims Jack Warner Controlled Account Holding Missing Haiti Funds, GUARDIAN (Feb. 16, 2012), <http://www.guardian.co.uk/football/2012/feb/16/ttff-jack-warner-haiti-funds>; FIFA Reviewing Jack Warner Evidence, ESPN (Mar. 1, 2012), http://espn.go.com/sports/soccer/story/_/id/7633402/fifa-studies-jack-warner-evidence-alleged-missing-haiti-aid-case.

⁶⁵ Andrew Warshaw, Mortgage Deeds Show Jack Warner's Centre of Excellence Ownership Denials to be False, INSIDE WORLD FOOTBALL (June 3, 2012), <http://www.insideworldfootball.com/worldfootball/centralandnorthamerica/10901-jack-waners-centre-of-excellence-ownership-denials-proved-false->.

⁶⁶ Andrew Jennings, FBI Investigates Secret Payments to FIFA Whistleblower, INDEPENDENT (Aug. 11, 2011), <http://www.independent.co.uk/sport/football/news-and-comment/fbi-investigates-secret-payments-to-fifa-whistleblower-2337260.html>.

accounts, and that he paid Blazer hundreds of thousands of dollars from these accounts without providing any explanation to the CFU.⁶⁷

2.8. In May 2012, reports also emerged that CONCACAF had failed to file U.S. income tax returns, and that CONCACAF concealed U.S. tax liabilities amounting to millions of dollars.⁶⁸ The media also reported allegations that Blazer improperly received commissions from CONCACAF, through his company Sportvertising, under a written contract that expired in 1998.⁶⁹

⁶⁷ Kern De Freitas, Jack Stays Mum on Sport Court Ruling, TRINIDAD EXPRESS (July 26, 2012), http://www.trinidadexpress.com/news/Jack_stays_mum_on_sport_court_ruling-163807246.html.

⁶⁸ New Corruption Allegation Against Warner and CONCACAF, PLAY THE GAME (May 24, 2012), <http://www.playthegame.org/news/detailed/new-corruption-allegations-against-warner-and-concacaf-5399.html>; Tariq Panja, Concacaf Soccer Body Tells Members About Financial Mismanagement, BLOOMBERG BUS. WK. (May 23, 2012), <http://www.businessweek.com/news/2012-05-23/concacaf-soccer-body-tells-members-about-financial-mismanagement>.

⁶⁹ Richard Conway, FIFA Executive's Payments 'Unlawful', BBC (May 29, 2012), <http://www.bbc.co.uk/sport/0/football/18232533>.

III. REFORM AT CONCACAF

3.1. With the departures of Warner and Blazer, CONCACAF faced a leadership crisis and, to restore its reputation for integrity, it needed to respond to public criticisms that had arisen.

A. New Leadership

3.2. In May 2012, the CONCACAF Congress met in Budapest, Hungary and elected Jeffrey Webb (“Webb”) to be the next President of CONCACAF. Webb had served as President of the Cayman Islands Football Association since 1991 and was Deputy Chairman of the FIFA Internal Audit Committee and a member of the FIFA Transparency and Compliance Committee. Webb pledged to promote transparency, accountability, and reform within CONCACAF and to take necessary steps to preserve integrity in the sport of football. After his election, Webb announced that the Executive Committee had formed four committees focused on transparency and reform: an Integrity Committee, an Audit & Compliance Committee, a Statutes and Regulations Committee, and a Finance Committee.⁷⁰

3.3. In July 2012, the Executive Committee appointed Enrique Sanz (“Sanz”) to be General Secretary of CONCACAF. Sanz had been involved in football for more than 15 years and came to CONCACAF from his position as Vice President of Traffic Sports USA, a leading football marketing company in Latin America. Sanz supported the reform efforts initiated by Webb and the CONCACAF Executive Committee, and he commenced additional measures intended to safeguard the integrity of the sport, including initiatives aimed at addressing the risk of match-fixing in football.

B. The Integrity Committee

3.4. Among the reform measures announced by Webb was the appointment by the CONCACAF Executive Committee of an Integrity Committee charged with reviewing the past practices of the prior administration of CONCACAF. The mission of the Integrity Committee is to oversee investigations of various allegations of misconduct that have been raised, to determine the facts relevant to such allegations, and to draw conclusions about the significance of relevant facts. The investigation process is intended to give CONCACAF an established factual basis from which to take any appropriate corrective action and to allow CONCACAF to move forward free from any doubt about the integrity of its leadership so that the organization can focus exclusively on developing the sport of football in the region.

⁷⁰ See, e.g., Press Release, CONCACAF, CONCACAF Announces New Integrity Committee (Sept. 14, 2012), [available at](http://www.concacaf.com/page/ConfederationDetail/0,,12813~2918241,00.html) <http://www.concacaf.com/page/ConfederationDetail/0,,12813~2918241,00.html>; Press Release, CONCACAF, Audit and Compliance Committee Announced (Oct. 25, 2012), [available at](http://www.concacaf.com/page/ConfederationDetail/0,,12813~2959278,00.html) <http://www.concacaf.com/page/ConfederationDetail/0,,12813~2959278,00.html>; Press Release, CONCACAF, CONCACAF Forms Finance Committee (Dec. 20, 2012), [available at](http://www.concacaf.com/page/ConfederationDetail/0,,12813~3015330,00.html) <http://www.concacaf.com/page/ConfederationDetail/0,,12813~3015330,00.html>.

3.5. The Integrity Committee consists of three individuals with vast experience in law and accounting. They come from each of the three zones of the CONCACAF region and are wholly independent of the administration of the sport of football.

3.6. Sir David Anthony Cathcart Simmons, K.A., B.C.H., Q.C., is Chairman of the Integrity Committee. He was Attorney General (1985-1986; 1994-2001) and Chief Justice (2002-2010) of Barbados. He also was a Member of the Barbados Parliament (1976-2001).

3.7. Judge Ricardo Urbina is a Member of the Integrity Committee. He served for 31 years as a judge in both the federal and local courts in the District of Columbia in the United States before recently retiring. Judge Urbina presided over numerous high-profile cases and issued over 1,000 memorandum opinions during his tenure on the bench. Before he became a judge, Judge Urbina was an Associate Professor of Law at Howard University School of Law.

3.8. Ernesto Hempe is a Member of the Integrity Committee. He is a retired partner, and was Partner-in-Charge of Risk Management and Ethics, at PricewaterhouseCoopers Interamerica (Central America and the Dominican Republic). Hempe currently serves as General Coordinator of various projects in Panama financed by the Inter-American Development Bank and as an advisor to the Superintendency of Banks of Panama.

3.9. The Executive Committee empowered the Integrity Committee to oversee the investigation and determine the facts related to the following specific issues: (i) ownership of the COE; (ii) an apartment at Trump Tower and the application of CONCACAF funds in relation to the apartment; (iii) the whereabouts of funds generated by a contract between CONCACAF and Umbro International; (iv) the circumstances surrounding the purchase of two apartments in Miami and a Hummer vehicle; (v) the employment contract of the former General Secretary of CONCACAF, and in particular, the provisions of the contract relating to the payment of commissions and its expiration; (vi) CONCACAF's failure to pay taxes and to file tax returns; (vii) the application or otherwise of CONCACAF's funds over the past five years; and (viii) the completeness and accuracy of CONCACAF's financial statements and audits for the past five years. The Executive Committee also authorized the Integrity Committee to seek an expansion of its mandate if the Integrity Committee identified evidence of wrongdoing in other areas that it believed merited investigation.

3.10. The Executive Committee conferred upon the Integrity Committee all of the regular powers of an investigative body, including the ability to call witnesses and to reach conclusions of fact. The Integrity Committee was also given complete independence in the conduct of its investigation.

C. Advisors to the Integrity Committee

3.11. CONCACAF provided the Integrity Committee with all of the resources and expertise necessary to conduct a thorough investigation. In June 2012, the Executive Committee engaged U.S. law firm Sidley Austin LLP ("Sidley") to advise and assist the Committee in its investigation. CONCACAF further authorized Sidley to engage BDO Consulting to provide forensic accounting services and to support the investigation by assisting with the collection and preservation of evidence. In addition, CONCACAF appointed a Secretariat to render such

assistance as was necessary to the Committee and counsel, and generally, to coordinate all administrative and logistical arrangements for meetings of the Committee.

D. Meetings of the Integrity Committee

3.12. The Committee held eight meetings on the following dates:

- September 18, 2012
- October 9-10, 2012
- November 13, 2012
- December 11-12, 2012
- February 12-13, 2013
- March 20-21, 2013
- April 2-4, 2013
- April 11, 2013

IV. INVESTIGATIVE PROCESS

4.1. The Integrity Committee sought to identify, collect, and organize any evidence that it could obtain that was relevant to the issues under investigation. CONCACAF made all electronic and hardcopy documents and accounting and financial information in the organization's custody available to the Committee and counsel and provided access to employees who may have possessed relevant information. CONCACAF also introduced the Committee to witnesses outside of CONCACAF and encouraged those witnesses to cooperate with the investigation. The Committee and counsel independently sought to collect evidence from third parties who were believed to possess relevant information.

4.2. The investigative process consisted of five components: (i) preservation and collection of CONCACAF's documents; (ii) securing evidence from Jack Warner and Chuck Blazer; (iii) collection of documents and information from sources external to CONCACAF; (iv) forensic accounting analysis; and (v) interviews of witnesses. The five components of the investigative process are discussed in more detail below.

A. Preservation and Collection of CONCACAF Documents

4.3. Even before the appointment of the Integrity Committee, CONCACAF acted quickly to preserve documentary evidence within CONCACAF. The Committee's advisors imaged CONCACAF's email and shared file servers. They imaged the laptop and desktop computers and external hard drives of current and former CONCACAF employees who may have had relevant information in the organization's New York and Miami offices. They also collected and imaged current and archived versions of CONCACAF's electronic accounting system and copied hardcopy documents and potentially relevant audio and video recordings. At the same time, CONCACAF issued broad, formal document preservation instructions to all of its employees.

4.4. The Committee's advisors collected over 4 terabytes of raw electronic data from CONCACAF, including over 1.6 terabytes of data from 18 custodian computers and over 2.4 terabytes of server data. The Committee's advisors also collected 49 file server backup tapes and 58 boxes of hardcopy documents. To confirm the thoroughness of its document collection effort, counsel to the Committee conducted a number of document collection interviews of CONCACAF employees who may have had custody of relevant evidence in particularly critical areas, including information technology, accounting, and management.

B. Collection of Evidence from Warner and Blazer

4.5. The Integrity Committee was able to collect some documents and emails that had been in the custody of, or were authored by, Jack Warner or Chuck Blazer. However, significant gaps exist in the evidence that the Committee was able to collect because both Warner and Blazer were unwilling to cooperate with the investigation.

1. Jack Warner

4.6. In Jack Warner's case, the Committee collected from the CONCACAF offices in New York and Miami some documents and emails authored by Warner. Many of these consisted

of documents or emails that Warner had sent to others. The Committee did not find many documents authored by Warner on CONCACAF's servers because the President's Office in Trinidad and Tobago, where Warner primarily worked, had not been networked with the servers in CONCACAF's headquarters in New York. Moreover, although a CONCACAF email account had been assigned to Warner, it does not appear that he often used it. The Committee was informed by a CONCACAF employee that, when Warner was first granted a network email address, he stated in substance that he would not use it because he did not want his communications reviewed by the New York office.⁷¹

4.7. It was clear to the Committee that the bulk of any relevant documents that had been in the custody of, or were authored by, Warner probably resided in Trinidad and Tobago and would require Warner's assistance to collect. In fact, so far as the Committee could determine, Warner had complete control over all of the CONCACAF computers, documents, and other evidence that existed in Trinidad and Tobago, but he appears to have either destroyed such evidence or was unwilling to provide it to the Committee.⁷²

4.8. In September 2012, the current CONCACAF General Secretary, Enrique Sanz, traveled to Trinidad and Tobago to meet with Warner and to discuss a variety of matters. Sanz reported that, during the meeting, Warner took him to the office in Port of Spain that Warner had used when he served as the President of CONCACAF.⁷³ Sanz observed that the office was being cleaned for a new tenant and that document shredding was taking place.⁷⁴

4.9. The Chairman of the Integrity Committee (the "Chairman") authorized counsel to sign a letter on the Chairman's behalf addressed to Warner, dated January 21, 2013, requesting documents covering a wide range of topics under investigation. On January 29, 2013, Warner responded in writing to the effect that, because he had resigned from his position as President of CONCACAF, he had no documents or records in any form in his possession or otherwise which would allow him to respond to the matters contained in the Chairman's letter. On February 12, 2013, the Committee sent Warner a follow-up request for documents and for a meeting with the Committee, and asked that he respond to the Committee by March 12, 2013. To date, Warner has not responded to this request.

4.10. The Committee appends to this report, as Appendix A, the correspondence between the Committee and Warner.

2. Chuck Blazer

4.11. In Chuck Blazer's case, the Committee was able to collect from the CONCACAF servers a significant number of documents and emails that had been in the custody of, or were authored by, Blazer. Nevertheless, the Committee is not confident that it collected all, or even

⁷¹ Witness Interview Memorandum.

⁷² Witness Interview Memoranda.

⁷³ Witness Interview Memorandum.

⁷⁴ Witness Interview Memorandum.

most, of his relevant documents. For example, the Committee was unable to collect documents from the computers primarily used by Blazer because, according to witnesses, Blazer most often used his own computers for CONCACAF business.⁷⁵ On his departure, Blazer did not provide data from his computers to CONCACAF.

4.12. The Committee notes that it is possible that Blazer retained relevant hardcopy documents and other evidence belonging to CONCACAF. Blazer accessed his CONCACAF office until April 2012 – four months after his last official day of employment by CONCACAF – and by the time CONCACAF acted to preserve documents, Blazer had cleaned out that office. Moreover, witnesses reported that Blazer frequently worked from a personal office he kept in an apartment on a residential floor of the Trump Tower, and at times, he conducted CONCACAF business from that location. It is possible that Blazer maintained CONCACAF documents there.

4.13. Blazer declined to cooperate with the Integrity Committee. The Chairman of the Committee authorized counsel to sign a letter on his behalf addressed to Blazer, dated January 21, 2013, requesting documents related to a wide range of topics under investigation. On February 8, 2013, Blazer responded, through his counsel, that he was declining to comply with the request for documents, interviews, or other information. He asserted that he would not cooperate so long as CONCACAF left unresolved his claim that CONCACAF owed him additional compensation. On February 26, 2013, the Committee sent a follow-up request to Blazer’s counsel. On March 12, 2013, Blazer’s counsel replied to the Chairman indicating that the request had been considered, but his client still declined to produce documents or be interviewed, and again indicated that Blazer and CONCACAF were in an unresolved dispute over funds allegedly owed to Blazer.

4.14. The Committee appends to this report, as Appendix B, the correspondence between the Committee and Blazer.

C. External Document Collection

4.15. The Committee made efforts to collect relevant documents and information from sources external to CONCACAF, including: (i) various banks; (ii) property owners and management companies; (iii) government agencies; (iv) other football governing bodies, such as FIFA and the CFU; and (iv) other key witnesses. The Committee was successful in obtaining documents from certain third parties, including FIFA, but the Committee lacked the power to compel the production of documents and was only able to request voluntary production.

4.16. Among the third parties from whom the Integrity Committee requested evidence was Kenny Rampersad & Co., an accounting and auditing firm based in Trinidad and Tobago that served as CONCACAF’s external auditor for over 20 years. The Chairman of the Committee sent to Kenny Rampersad (“Rampersad”), the principal partner of the firm, a letter, dated January 31, 2013, requesting a wide range of documents related to the topics under investigation and asking that Rampersad provide a response by February 15, 2013. After Rampersad did not respond, the Chairman sent to Rampersad a second letter, dated February 26,

⁷⁵ Witness Interview Memorandum.

2013, appending the first letter and reasserting the Committee's request for documents and further asking for Rampersad to agree to an interview. The Chairman asked for Rampersad to respond by March 12, 2013. Rampersad did not respond to these requests.

4.17. Counsel to the Committee attempted to contact Rampersad by telephone in late March and early April 2013 and finally spoke to him on April 9, 2013.⁷⁶ Rampersad stated that he had received the Committee's letters and had been unable to respond due to a health issue.⁷⁷ He further stated that he intended to provide a written response to the Committee's requests by the end of the week of April 8, 2013, but that he could not commit to providing documents to the Committee.⁷⁸ Rampersad refused to agree to a telephone interview and said that he would only communicate with the Committee in writing.⁷⁹ He maintained this position even after he was advised that the matter was time sensitive.⁸⁰ Rampersad said during the call that he was only the auditor for CONCACAF and was never CONCACAF's accountant.⁸¹ Rampersad did not provide a written response to the Committee's requests as he said he would.

4.18. The Committee appends to this report, as Appendix C, the Chairman's letters to Kenny Rampersad.

4.19. The Committee also attempted to obtain information from former FIFA President João Havelange ("Havelange") related to the ownership and development of the COE. On February 20, 2013, CONCACAF's General Secretary sent a letter via email to Havelange requesting that he assist with the investigation by speaking to counsel to the Committee. In a letter dated February 25, 2013, Havelange responded explaining that he was unable to assist with the Committee's investigation due to health issues. On February 28, 2013, prior to receiving Havelange's response, counsel to the Committee sent an email to Havelange to follow up on the General Secretary's initial request. In a letter dated March 5, 2013, Havelange responded to the email reiterating his inability to assist with the Committee's investigation.

4.20. The Committee was unable to obtain bank records from Trinidad and Tobago, except for a limited production of documents from First Citizens Bank Limited ("First Citizens"). After Warner's resignation in June 2011, Blazer attempted to gain control of the CONCACAF bank accounts in Trinidad and Tobago, including accounts related to the COE, the President's Office, and the CFU.⁸² He was unsuccessful.⁸³ Since then, CONCACAF has tried on numerous occasions to obtain CONCACAF-related bank account records from Trinidad and Tobago. On March 18, 2013, CONCACAF received a total of 16 documents from First Citizens,

⁷⁶ Witness Interview Memorandum.

⁷⁷ Witness Interview Memorandum.

⁷⁸ Witness Interview Memorandum.

⁷⁹ Witness Interview Memorandum.

⁸⁰ Witness Interview Memorandum.

⁸¹ Witness Interview Memorandum.

⁸² DOC00933811, DOC00590084, DOC03736706.

⁸³ DOC00933811.

most of which relate to a 2007 mortgage loan extended by First Citizens to which Warner sought to make CONCACAF a party. First Citizens has yet to provide documents related to CONCACAF's accounts at the bank.

D. Forensic Accounting

4.21. The Committee's advisors included forensic accountants who performed analyses of relevant accounting data and records. The forensic accountants identified potentially relevant accounting systems, files, and data maintained by CONCACAF during the time relevant to the investigation. They arranged for the entire QuickBooks accounting system maintained at CONCACAF's New York office to be imaged and for the collection of other relevant accounting files from the New York and Miami office, as well as accounting files maintained on the computers of the former General Secretary and former CONCACAF Controller. The forensic accountants were able to access the QuickBooks accounting system general ledger from 1996 to the present, using data collected from the accounting system and custodian files. The general ledger was incomplete for the period prior to 1996. The forensic accountants were provided with copies of all of the financial statements, relevant bank records, and hard copy and electronic documents that were collected from CONCACAF and other third parties, and participated in interviews of certain accounting personnel.

4.22. The forensic accountants then conducted an analysis of all of the available information to identify relevant transactions, accounting methodologies, and accounting irregularities related to the Terms of Reference items. In addition, the forensic accountants analyzed the various relevant accounting and audit standards to assess the compliance with those standards of both CONCACAF's financial statements and the work of its auditor. Various forensic accounting techniques were used to perform a thorough analysis of the specific issues under investigation. As an example, data from the accounting system and bank records was accumulated and analyzed to establish the financial and accounting profile of the development and operational activities related to the COE, as well as to understand the accounting methodology used to record compensation paid to the General Secretary and amounts associated with his compensation.

E. Witness Interviews

4.23. The Committee interviewed 38 individuals who potentially possessed relevant information. The witness interviews totaled approximately 100 hours. The Committee authorized counsel to conduct the necessary interviews in person or by telephone. Witnesses were not placed under oath. CONCACAF made all current employees available to counsel and assisted in locating and communicating with former employees and other persons associated with the sport of football. Many witnesses participated voluntarily in the interviews. There were, however, a few individuals who could not be located or otherwise contacted, and a few individuals who, although located, declined to cooperate with the Committee. The Committee decided not to publish in this report the names of most of the witnesses for reasons of confidentiality and for their own security.

F. Final Report

4.24. This report represents the independent findings of the Integrity Committee.

V. REVIEW OF THE EVIDENCE AND FINDINGS

5.1. The Integrity Committee sets forth below a summary of the relevant evidence it received, and where necessary, makes appropriate findings of fact. The Committee considered the totality of the evidence in arriving at its findings and was careful to rely upon credible documentary evidence when possible because, in most instances, those documents provided a compelling account of what happened. The Committee was careful in its evaluation of oral evidence and credited oral witness statements when circumstances or corroboration warranted such a view. The Committee found disputed facts proved only where a “balance of probabilities” favored such particular findings. This is the same standard of proof known in U.S. law as a “preponderance of the evidence.” Although it would have been of inestimable assistance to the Committee if Jack Warner, Chuck Blazer, and Kenny Rampersad had consented to be interviewed, the Committee is nonetheless entirely satisfied that the evidence placed before it is of such compelling nature and quality as to warrant the findings presented by the Committee in this report.

5.2. Accordingly, after a thorough investigation, the Committee sets forth below a summary of its review of the evidence and findings which have been grouped into six categories to facilitate an organized presentation and discussion: (i) the development of the Centre of Excellence; (ii) CONCACAF operations in Trinidad and Tobago; (iii) the former General Secretary’s compensation; (iv) use of CONCACAF assets by the former General Secretary; (v) the U.S. tax status of CONCACAF and CMTV; and (vi) CONCACAF’s financial statements and audits.

A. Development of the Centre of Excellence

5.3. The Centre of Excellence (the “COE”) is a multi-purpose sports complex located on the outskirts of Port of Spain in Trinidad and Tobago. Its facilities include the Marvin Lee Football Stadium, adjoining football fields, conference and banquet halls, offices, a hotel, and a swimming pool complex.⁸⁴ For many years, CONCACAF carried the COE as an asset on its balance sheet, and since 1996, CONCACAF has spent millions of dollars developing the COE. In May 2012, CONCACAF’s ownership of the COE came into question as public reports surfaced suggesting that Warner, and not CONCACAF, held title to the land on which the COE was developed. A title search conducted in 2013 confirmed that title to the relevant property was in fact held by companies owned by Warner.

5.4. The Executive Committee requested that the Integrity Committee review and determine the facts with regard to the development and ownership of the COE. The Committee’s factual findings on this issue are set forth below.

1. Presentation and Approval of the Centre of Excellence

5.5. The evidence reviewed by the Committee shows that Jack Warner was the principal driving force behind the development of the COE, and that, from the inception of the

⁸⁴ DOC01758059.

COE, Warner depicted it as a CONCACAF project that would result in the development of a CONCACAF asset.

5.6. Warner made an initial proposal “regarding the development of a Center of Excellence for CONCACAF” during a CONCACAF Executive Committee meeting on July 28, 1995.⁸⁵ At this meeting, Warner represented that the purpose of the COE was to “help raise the quality of CONCACAF soccer.”⁸⁶ The initial estimated cost of the project to CONCACAF was to be \$7.5 million.⁸⁷ The proposal, which was approved “in principle” by the Executive Committee at this meeting, called for the COE to be constructed in Warner’s home country of Trinidad and Tobago⁸⁸ on land that Warner had previously identified.⁸⁹

5.7. Thereafter, Warner proceeded with the development of the COE.⁹⁰ Although the CONCACAF Statutes require authorization of the Congress for the purchase of real estate,⁹¹ the Committee was unable to find any evidence, notwithstanding a thorough review, indicating that Warner sought or received further approval from the Executive Committee or the Congress for the COE project. At the next Congress in April 1996, the member associations were simply informed of the ongoing COE project.⁹² A written report by the General Secretary prepared for that Congress informed the CONCACAF delegates that “[FIFA’s] support for the Centre of Excellence will enable CONCACAF to have an ongoing facility for coaching and player development.”⁹³ At the same Congress, João Havelange, the FIFA President, congratulated Warner “for his vision in building the CONCACAF Centre of Excellence in Trinidad.”⁹⁴

2. Acquisition of the COE Land by Warner’s Companies

5.8. The title deeds to the land on which the COE was developed show that the COE is situated on three separate parcels of land at Macoya in the Ward of Tacarigua, Trinidad and Tobago.⁹⁵ The parcels are:

- Parcel 1 – 7 acres, no roods, 33 perches
- Parcel 2 – 7 acres, 1 rood, 19 perches
- Parcel 3 – 1.0117 hectares⁹⁶

⁸⁵ DOC05930828.

⁸⁶ DOC05930827.

⁸⁷ DOC05930838.

⁸⁸ DOC05930827; Witness Interview Memoranda.

⁸⁹ Witness Interview Memorandum.

⁹⁰ DOC05930834.

⁹¹ CONCACAF Statutes (1994), Art. 20(h).

⁹² DOC05930834, DOC05930835.

⁹³ DOC05930835.

⁹⁴ DOC05930834.

⁹⁵ DOC05930819, DOC05930821, DOC05930822, DOC05930825, DOC05930831, DOC05930831.

5.9. Each parcel of land is owned by a company controlled by Jack Warner, specifically Renraw Investments Limited (“Renraw”) and CCAM and Company Limited (“CCAM”).⁹⁷ Accordingly, for purposes of this investigation, the Committee considered the COE land to be owned by Warner. Both Renraw and CCAM obtained title to the land following the CONCACAF Executive Committee meeting in July 1995, at which Warner represented the COE to be a CONCACAF project.⁹⁸ The Committee found no evidence that, at any time, Warner or anyone else disclosed to the Executive Committee or the Congress that the land belonged to Renraw and CCAM, and not CONCACAF.

a. The Companies

5.10. The Committee reviewed public filings from the Office of the Registrar General in Trinidad and Tobago and other evidence related to Warner’s companies and obtained the following information:

1. Renraw

5.11. Renraw (Warner spelled backwards) was incorporated in Trinidad and Tobago on February 16, 1996.⁹⁹ An annual return filed on October 9, 1997 records Jack Warner and his wife, Maureen Warner, as the shareholders.¹⁰⁰ They are also listed as directors together with Warner’s son, Daryan Warner.¹⁰¹ Daryan Warner is also named as Secretary,¹⁰² and in the annual return for 1998, filed on May 24, 2007, he is stated to be a shareholder.¹⁰³ On August 24, 2000, Esther Dubarry (“Dubarry”) replaced Daryan Warner as Secretary.¹⁰⁴ Warner, his wife, and son continued as the directors and shareholders of the company from 1998 through 2010.¹⁰⁵ Dubarry, however, was replaced as Secretary by Patricia Modeste on April 24, 2004.¹⁰⁶

⁹⁶ DOC05930819, DOC05930821, DOC05930822, DOC05930825, DOC05930831, DOC05930831.

⁹⁷ DOC05930819, DOC05930821, DOC05930822, DOC05930825, DOC05930831, DOC05930831.

⁹⁸ DOC05930828, DOC05930827.

⁹⁹ DOC05930823.

¹⁰⁰ Id.

¹⁰¹ Id.

¹⁰² Id.

¹⁰³ Id.

¹⁰⁴ Id.

¹⁰⁵ Id. The most current Renraw corporate filing available to the Committee is a certified copy of Renraw’s Annual Return, dated January 14, 2011, which contains information on Renraw’s shareholders and directors as of October 9, 2010. Id.

¹⁰⁶ DOC05930927.

2. CCAM

5.12. CCAM was originally named ANSA McAL Warehouse Limited (“ANSA McAL”), and on June 7, 1996, Warner was a director of that company.¹⁰⁷ On that date, ANSA McAL changed its name to CCAM.¹⁰⁸ In an annual return, filed on October 7, 1997, the directors of CCAM were listed as Jack and Maureen Warner.¹⁰⁹ Daryan Warner was listed as the Secretary of the company.¹¹⁰ On August 24, 2000, Daryan Warner ceased to be the Secretary and was replaced by Esther Dubarry.¹¹¹ On October 7, 1997, the shareholders of CCAM were Jack Warner and his wife.¹¹² They purchased the shares of the previous shareholders, Anthony Norman Sabga and Michael Kelvin Mansoor, on October 8, 1997.¹¹³ Returns for the years 1999 to 2011 show that the shareholders of CCAM were Jack Warner and Renraw, but the directors were Warner and his wife.¹¹⁴ On May 28, 2007, Patricia Modeste replaced Dubarry as Secretary.¹¹⁵

b. Acquisition of the Parcels of Land

5.13. On March 15, 1996, Renraw obtained title to Parcel 1 by purchasing the land from Lever Brother West Indies Limited for TT\$1.8 million (approximately \$314,460).¹¹⁶ Jack and Maureen Warner, as directors of Renraw, signed the documents transferring the land.¹¹⁷

5.14. On March 17, 1995, ANSA McAL purchased Parcel 2 for TT\$5,650,000 (approximately \$992,140).¹¹⁸ Warner was a director of ANSA McAL on June 7, 1996, when the company changed its name to CCAM.¹¹⁹ On December 12, 1996, CCAM’s name replaced

¹⁰⁷ DOC05930811.

¹⁰⁸ Id.

¹⁰⁹ Id.

¹¹⁰ Id.

¹¹¹ Id.

¹¹² Id.

¹¹³ Id.

¹¹⁴ Id. The most current CCAM corporate filing available to the Committee is a certified copy of CCAM’s Annual Return, dated January 14, 2011, which contains information on CCAM’s shareholders and directors as of October 9, 2010. DOC05930925.

¹¹⁵ DOC05930811.

¹¹⁶ DOC05930819, DOC05930831. The currency conversion was calculated using the March 1996 exchange rate.

¹¹⁷ DOC05930831.

¹¹⁸ DOC05930825. The currency conversion was calculated using the March 1995 exchange rate.

¹¹⁹ DOC05930811.

ANSA McAL's name on the title to Parcel 2.¹²⁰ On October 8, 1997, Warner and Renraw obtained all of the shares of CCAM from its previous shareholders.¹²¹

5.15. On August 20, 1998, Renraw obtained title to Parcel 3 when it purchased the land from Trinidad Concrete Products Limited for TT\$2,450,250 (approximately \$392,775).¹²²

3. Warner Does Business as the CONCACAF Centre of Excellence

5.16. On September 26, 1996, during the period of time in which the COE was being developed, Warner and CCAM registered a partnership in Trinidad and Tobago under the name "C.O.N.C.A.C.A.F. Centre of Excellence" to carry on the business of sports development.¹²³ Counsel in Trinidad and Tobago has advised the Committee that the partnership's filing would have allowed it to hold bank accounts, but not own property. Warner and his wife signed the partnership registration form on behalf of CCAM.¹²⁴ On September 11, 1998, Renraw was added as a third partner.¹²⁵ The name of the partnership was changed on January 18, 1999 to the "Dr. Joao Havelange Centre of Excellence."¹²⁶ The Committee found no evidence indicating that the existence of the partnership was ever disclosed to the Executive Committee or the Congress or that the use of the CONCACAF name by Warner was ever approved.

5.17. On June 17, 1999, Warner, Renraw, and CCAM together also registered in Trinidad and Tobago a business partnership named "Le Sportel Inn,"¹²⁷ the name of the hotel that is part of the COE.¹²⁸ The Committee was unable to locate evidence indicating that the partnership was ever authorized by, or disclosed to, CONCACAF.

5.18. Evidence suggests that Warner may have used the partnership that was initially named "C.O.N.C.A.C.A.F. Centre of Excellence" and was later renamed "Dr. Joao Havelange Centre of Excellence" to establish bank accounts under his control that were utilized to receive funds related to development of the COE.¹²⁹ The Committee obtained from CONCACAF a spreadsheet that listed a number of accounts maintained at First Citizens that were held by Warner, his companies, or other entities affiliated with him.¹³⁰ The spreadsheet identifies the holder of one account as "Dr. Joao Havelange Centre of Excellence," which is the name of the

¹²⁰ DOC05930820.

¹²¹ DOC05930822.

¹²² DOC05930821, DOC05930851. The currency conversion was calculated using the August 1998 exchange rate.

¹²³ DOC05930837.

¹²⁴ Id.

¹²⁵ DOC05930852.

¹²⁶ DOC05930861.

¹²⁷ DOC05930871.

¹²⁸ DOC01758255.

¹²⁹ DOC05930853, DOC05930861, DOC00933811, DOC00590084, DOC00292447.

¹³⁰ DOC00292447.

partnership formed by Warner and his companies.¹³¹ The Committee could not verify all of the account information included in this spreadsheet, but it independently verified, through a review of other evidence and bank records, that the spreadsheet includes accurate account numbers and other account information for certain accounts that received funds in connection with the development or operations of the COE. None of the information on the spreadsheet was affirmatively found to be inaccurate by the Committee.

4. FIFA Financing for Development of the COE

5.19. From 1996 to 2006, CONCACAF committed at least \$25,950,000 to the construction and development of the COE.¹³² The funds were secured by Warner through loans provided by FIFA directly to CONCACAF, and in one case by means of a third-party loan to CONCACAF guaranteed by FIFA. The loans were to be repaid through offsets against future disbursements of funds that FIFA was expected to allocate to CONCACAF. Ultimately, CONCACAF repaid the loans by surrendering its share of certain future FIFA World Cup proceeds and certain future FIFA Financial Assistance Programme (“FAP”) grants that were available to fund CONCACAF development projects.

5.20. Warner represented to FIFA that the funds would be used to support the development of a CONCACAF facility without disclosing that the COE project would be situated on land that would be purchased, or was already owned, by Warner through his companies.¹³³ As FIFA informed CONCACAF in 2012, based on its review of records, it “was never aware that the Centre of Excellence would not be owned by CONCACAF.”¹³⁴ The following provides a summary of the relevant funds secured by Warner for development of the COE between 1996 and 1999, and how those funds were procured and repaid.

a. The 1996 FIFA Transfers

5.21. In 1996, FIFA provided a total of \$3,950,000 to CONCACAF for the construction and development of the COE (the “1996 FIFA Transfers”).¹³⁵ These funds came in the form of an interest free loan from FIFA to CONCACAF secured by Warner.¹³⁶ The 1996 FIFA Transfers were provided by FIFA to CONCACAF in six separate disbursements¹³⁷ and were later repaid through offsets against funds that CONCACAF was to receive from FIFA.¹³⁸

¹³¹ DOC00292447, DOC05930854, DOC05930860, DOC05930863, DOC05930864, DOC05930868, DOC05930870, DOC05930940.

¹³² DOC05930884, DOC05930886, DOC05930940.

¹³³ DOC05930854, DOC05930862, DOC05930884, DOC05930940.

¹³⁴ DOC05930940.

¹³⁵ Id.

¹³⁶ DOC05930830, DOC05930838.

¹³⁷ DOC05930940.

¹³⁸ CONCACAF’s 1996-97 Financial Statements state that this loan would be repaid through CONCACAF’s share of future proceeds from the 1998 and 2002 FIFA World Cups. DOC05930848 Records received from FIFA,

b. The 1997 Union Bank of Switzerland Loan

5.22. In 1997, CONCACAF secured an additional \$6 million for further development of the COE in the form of a loan from Union Bank of Switzerland (“UBS”) that was guaranteed by FIFA (the “UBS Loan”).¹³⁹ CONCACAF borrowed the funds after Warner obtained approval from the CONCACAF Executive Committee at a meeting on December 10, 1996, to raise an additional \$7.5 million in Trinidad and Tobago for the development of the COE.¹⁴⁰ The allocation of the additional \$7.5 million brought the total estimated cost of the project to \$15 million, doubling the initial estimate that Warner provided less than 18 months previously.¹⁴¹ Because Warner was ultimately unable to borrow at an attractive interest rate in Trinidad and Tobago, he sought approval in March 1997 from the Executive Committee to borrow \$6 million from UBS on more favorable terms.¹⁴² The UBS loan consisted of three separate \$2 million tranches made available to CONCACAF on the following dates: May 2, 1997, August 29, 1997, and November 10, 1997.¹⁴³

5.23. On November 24, 1997, Warner notified the Executive Committee that the estimated cost for development of the COE had risen to \$16 million.¹⁴⁴ CONCACAF’s financial statements for the two-year period ending 1997 stated that approximately \$7.6 million in costs had been incurred for the construction of the COE.¹⁴⁵ By that point, Warner had secured \$9,950,000 in funding for the development of the COE.¹⁴⁶

5.24. The UBS loan was originally to be repaid to UBS “on the basis of two million dollars per year as of the year ending on December 31, 1999.”¹⁴⁷ FIFA instead repaid the full amount due to UBS on December 30, 1999, on behalf of CONCACAF.¹⁴⁸ CONCACAF in turn never had to repay FIFA for assuming this debt because the FIFA Finance Committee decided on May 2, 2003, to write off the \$6 million owed by CONCACAF to FIFA.¹⁴⁹

however, state that the funds were instead repaid through offsets to future FIFA FAP payments to CONCACAF. DOC05930940.

¹³⁹ DOC04825022, DOC05930848.

¹⁴⁰ DOC05930838.

¹⁴¹ Id.

¹⁴² DOC04825022.

¹⁴³ DOC04825024, DOC04825028, DOC04825027.

¹⁴⁴ DOC05930842.

¹⁴⁵ DOC05930848.

¹⁴⁶ DOC05930847.

¹⁴⁷ DOC05930848.

¹⁴⁸ DOC05930875.

¹⁴⁹ DOC05930847.

c. The 1998 and 1999 FIFA Transfers

5.25. Between December 1998 and June 1999, FIFA provided an additional \$6 million in funding for development of the COE (the “1998 and 1999 Transfers”).¹⁵⁰ Warner secured these funds from FIFA, in part, by creating the impression that the funds would be used to develop a CONCACAF asset. For example, Warner addressed a letter, dated October 3, 1998, on CONCACAF letterhead in his capacity as CONCACAF President to FIFA’s Head of Finance.¹⁵¹ In the letter, Warner stated his understanding that the additional \$6 million was intended to be “[f]urther assistance for the completion of the Dr Joao Havelange Centre of Excellence.”¹⁵² Warner also acknowledged that the additional funds were conditioned on “CONCACAF, through its President . . . continu[ing] to send [FIFA] up-to-date [sic] reports on the schedule of works taking place at the facility.”¹⁵³ The letter closed with Warner thanking FIFA for FIFA’s “assistance given to this Confederation,” and it was copied to Blazer as “CONCACAF Secretariat.”¹⁵⁴ Warner attached to the letter a separate letter, dated October 1, 1998, from First Citizens to Warner in his capacity as CONCACAF President, providing the details of a bank account “IN NAME OF CONFEDERATION OF NORTH, CENTRAL AMERICAN & CARIBBEAN ASSOCIATION” to which FIFA was to direct funds for the COE.¹⁵⁵ In the October 3, 1998 letter, Warner stated that he was sending the account number to FIFA in response to FIFA’s request for “CONCACAF . . . to submit an account number where the money is to be transferred.”¹⁵⁶ FIFA then wired this \$6 million in five separate transfers to this account.¹⁵⁷ Evidence obtained by the Committee shows that this account, which Warner controlled, was held by the partnership that was initially named “C.O.N.C.A.C.A.F. Centre of Excellence” and was later renamed “Dr. Joao Havelange Centre of Excellence.”¹⁵⁸

5.26. Warner also sent at least two subsequent letters to FIFA concerning the 1998 and 1999 Transfers.¹⁵⁹ As with the earlier FIFA letter, Warner composed the subsequent letters on CONCACAF letterhead and addressed them to FIFA’s Head of Finance in his capacity as CONCACAF President.¹⁶⁰

¹⁵⁰ DOC05930860, DOC05930863, DOC05930864, DOC05930868, DOC05930870, DOC05930847.

¹⁵¹ DOC05930854.

¹⁵² Id.

¹⁵³ Id.

¹⁵⁴ Id.

¹⁵⁵ Id.

¹⁵⁶ Id.

¹⁵⁷ DOC05930860, DOC05930863, DOC05930864, DOC05930868, DOC05930870.

¹⁵⁸ See supra paragraph 5.18 for discussion on the spreadsheet of Warner-related accounts.

¹⁵⁹ DOC05930862, DOC05930867.

¹⁶⁰ DOC05930862, DOC05930867.

5.27. CONCACAF eventually repaid these funds through offsets against future FIFA payments that would become due to CONCACAF during the 1999 to 2002 period.¹⁶¹

d. The 2003 to 2006 FIFA FAP Funds

5.28. Separate from the \$15,950,000 in FIFA funding discussed above, FIFA financed an additional \$10 million that was used for further development of the COE.¹⁶² CONCACAF repaid this \$10 million by relinquishing \$2.5 million in FIFA FAP funds for each year from 2003 to 2006.¹⁶³

5.29. Although the exact dates that FIFA disbursed this \$10 million remain unclear to the Committee, evidence indicates that in December 2001 Warner communicated with FIFA about the release of the first \$5 million of this funding.¹⁶⁴ More specifically, Warner, in his capacity as CONCACAF President, sent FIFA's Head of Finance a letter, dated December 20, 2001, on CONCACAF letterhead that was to serve as CONCACAF's "authorization" for FIFA to transfer the first two installments of \$2.5 million in "assistance to this Confederation for each of the years 2003 and 2004 . . . for the operations and development of our Centre of Excellence."¹⁶⁵ Warner's letter included the details of a First Citizens account to which FIFA was to pay the \$5 million and ended with a request for an acknowledgment of receipt from FIFA, which FIFA provided on December 21, 2001.¹⁶⁶ Evidence obtained by the Committee shows that the First Citizens account provided to FIFA by Warner is held by "Austin Jack Warner."¹⁶⁷

5.30. By 2006, CONCACAF had entered into certain agreements with FIFA related to FIFA's continued financial assistance for the COE, which among other things required CONCACAF to keep the COE property free from encumbrances.¹⁶⁸

5. Funds for the COE from Football Federation Australia

5.31. On or around September 23, 2010, Football Federation Australia (the "FFA") provided \$462,200 to CONCACAF to support an upgrade of the Marvin Lee Stadium at the COE.¹⁶⁹ These funds were provided through Australia's International Football Development program in connection with its 2022 FIFA World Cup bid.¹⁷⁰ During FFA's initial assessment of

¹⁶¹ DOC05930854, DOC05930876, DOC05930847.

¹⁶² DOC05930884, DOC05930886, DOC05930940.

¹⁶³ DOC05930884, DOC05930886, DOC05930940.

¹⁶⁴ DOC05930884.

¹⁶⁵ Id.

¹⁶⁶ Id.

¹⁶⁷ DOC05930884, DOC00292447; see supra paragraph 5.18 for discussion on the spreadsheet of Warner-related accounts.

¹⁶⁸ DOC04732359.

¹⁶⁹ DOC05931265, DOC05931266, DOC00516282.

¹⁷⁰ DOC00516282.

the upgrade project in August 2010, representatives of the FFA met with a number of COE employees, as well as Warner, and conducted a site visit at that the COE to assess the scope of the project.¹⁷¹ In communications with COE employees after the trip, a member of the FFA delegation referred to the stadium upgrade project as the “CONCACAF Centre of Excellence Upgrade.”¹⁷² An FFA memorandum documenting the trip also refers to the COE as the “CONCACAF Centre of Excellence” and to Warner as the “President of CONCACAF.”¹⁷³

5.32. One month after the visit, FFA sent the funds to CONCACAF.¹⁷⁴ The funds from the FFA were provided by check made out to “CONCACAF” and deposited into a bank account maintained at Republic National Bank in Trinidad and Tobago.¹⁷⁵ The funds, however, were not accounted for in the CONCACAF general ledger or reported as income in its financial statements for 2010.¹⁷⁶ Although the Committee was unable to locate records evidencing how this money was spent, bank records show that Warner commingled his personal funds in the same account to which the FFA payment was deposited.¹⁷⁷

6. Absence of Accounting Records Related to the COE

5.33. The Integrity Committee was unable to determine how any of the CONCACAF funds allocated to the construction and development of the COE were expended. As discussed more thoroughly below, accounting and payment records detailing the use of funds that were allocated for the development of the COE, or for any of the CONCACAF operations in Trinidad and Tobago, were not maintained in CONCACAF’s New York office. Instead, it appears as though all such records related to the COE and the President’s Office were created and maintained in Trinidad and Tobago under the control of Jack Warner. As discussed previously, Warner declined to provide records to the Committee,¹⁷⁸ and CONCACAF’s former auditor and COE accountant in Trinidad and Tobago – Kenny Rampersad – did not respond to the Committee’s requests for information. The Committee also was unable to obtain relevant bank records from Trinidad and Tobago that would at least show where funds sent there were transferred.

7. Use of FIFA/CONCACAF Funds for Acquisition of COE Land

5.34. The Integrity Committee was able to identify evidence that establishes that funds provided by FIFA to CONCACAF were used to purchase at least one of the parcels of the land on which the COE was constructed. Furthermore, the timing of the purchases of each of the

¹⁷¹ DOC05931265.

¹⁷² Id.

¹⁷³ Id.

¹⁷⁴ DOC05931266.

¹⁷⁵ Id.

¹⁷⁶ DOC05930927.

¹⁷⁷ DOC05931266, DOC05931263.

¹⁷⁸ See supra paragraphs 4.6-4.10.

parcels in relation to funds transferred from FIFA to CONCACAF strongly suggests that such funds were used to purchase all of the parcels.

5.35. With regard to Parcel 3, which was purchased by Renraw on August 20, 1998,¹⁷⁹ Warner sent a letter, dated January 18, 1999, to FIFA's Head of Finance in which Warner provided an accounting of how funds recently provided by FIFA to CONCACAF had been spent on the COE project.¹⁸⁰ In this accounting, Warner specifically described the recent acquisition of Parcel 3 for \$640,000.¹⁸¹ The Committee notes the discrepancy between the \$640,000 purchase price that Warner represented to FIFA and the TT\$2,450,250 (approximately \$392,775) purchase price that was reported in the memorandum of transfer.¹⁸² Warner did not inform the FIFA Head of Finance that the parcel of land had been purchased by his company, Renraw, and that it had not been purchased by CONCACAF.¹⁸³ Separately, a report, dated April 7, 1997, related to the COE and presented to the CONCACAF Executive Committee referred to Parcel 3 as "[r]ecently acquired property" for the COE.¹⁸⁴ This report, like Warner's January 18, 1999 letter to FIFA, did not disclose that the property was purchased by Warner's company and not CONCACAF.¹⁸⁵

5.36. With regard to Parcels 1 and 2, the timing of the land purchases relative to the disbursements of FIFA/CONCACAF funds strongly suggests that Warner used the funds to purchase those parcels. Payment records show that by March 15, 1996, the date of Renraw's purchase of Parcel 1,¹⁸⁶ FIFA had transferred \$1,950,000 to CONCACAF for the development of the COE.¹⁸⁷ By October 8, 1997 – the date on which Warner and Renraw became the sole shareholders of CCAM, the titleholder to Parcel 2¹⁸⁸ – FIFA had transferred \$3,950,000 to CONCACAF and guaranteed \$6 million in funds (\$4 million of which was already available to CONCACAF) via the UBS Loan.¹⁸⁹

5.37. The following chart shows the relationship in time of funds secured for the development of the COE and the related purchases of land, including: (i) Warner's requests for Executive Committee approval to raise funds for the COE project; (ii) transfers of funds to CONCACAF for the COE development; and (iii) title transfers for each parcel of property.

¹⁷⁹ DOC05930821, DOC05930851.

¹⁸⁰ DOC05930862.

¹⁸¹ Id.

¹⁸² See supra paragraph 5.15.

¹⁸³ DOC05930862, DOC05930821, DOC05930851.

¹⁸⁴ DOC05930866.

¹⁸⁵ DOC05930866, DOC05930821, DOC05930851.

¹⁸⁶ DOC05930819, DOC05930831.

¹⁸⁷ DOC05930940.

¹⁸⁸ DOC05930820, DOC05930822.

¹⁸⁹ DOC05930940, DOC04825024, DOC04825027.

Date	Event
July 28, 1995	Approval “in principle” of the COE by CONCACAF Executive Committee.
January 11, 1996	FIFA transferred \$250,000 to CONCACAF for development of the COE.
January 30, 1996	FIFA transferred \$1,700,000 to CONCACAF for development of the COE.
February 16, 1996	Renraw was incorporated.
March 15, 1996	Renraw obtained title to Parcel 1 via a TT\$1.8 million (approximately \$392,775) purchase from Lever Brothers West Indies Limited.
April 11, 1996	FIFA transferred \$500,000 to CONCACAF for development of the COE.
May 17, 1996	FIFA transferred \$500,000 to CONCACAF for development of the COE.
June 7, 1996	Warner, as a director of ANSA McAL, signed a special resolution changing the company’s name to CCAM.
June 21, 1996	FIFA transferred \$500,000 to CONCACAF for development of the COE.
August 12, 1996	FIFA transferred \$500,000 to CONCACAF for development of the COE.
September 26, 1996	“C.O.N.C.A.C.A.F. Centre of Excellence” was registered as a partnership between Warner and CCAM.
December 10, 1996	Warner requested and received approval from the Executive Committee to obtain an additional \$7.5 million in funding for the COE development.
December 12, 1996	CCAM was substituted for ANSA McAL on title to Parcel 2.
April 29, 1997	CONCACAF entered into a \$6 million loan agreement with UBS, with FIFA as guarantor. This funding was in lieu of the \$7.5 million loan for which Warner sought and received approval from the Executive Committee on December 10, 1996.
May 2, 1997	UBS made available the first \$2 million tranche of the April 29, 1997 loan.
August 29, 1997	UBS made available the second \$2 million tranche of the April 29, 1997 loan.
October 8, 1997	The shares of CCAM were transferred to Warner and Renraw.
November 10, 1997	UBS made available the third \$2 million tranche of the April 29, 1997 loan.
November 24, 1997	Warner informed the Executive Committee that the cost of the COE project had increased to \$16 million.
August 20, 1998	Renraw obtained title to Parcel 3 via a TT\$2,450,250 (approximately \$392,775) purchase from Trinidad Concrete Products Limited.
October 3, 1998	Warner sent a letter to FIFA’s Head of Finance documenting an arrangement for an additional \$6 million in funding.

8. Mortgage Loans Related to the COE

5.38. On at least two occasions – in 1998 and in 2007 – Jack Warner and his companies borrowed money from a bank in Trinidad and Tobago using the COE property as security. In each case, CONCACAF appears as a borrower in the mortgage deed, which included CONCACAF’s agreement in the event of a default to be held jointly and severally liable with Warner, Renraw, and CCAM for the outstanding amount of the loan.¹⁹⁰ Also in each case, loan

¹⁹⁰ DOC05930822, DOC05930823, DOC05930822, DOC05930823.

documents were signed on behalf of CONCACAF by individuals who lacked authority to bind CONCACAF.¹⁹¹ The Integrity Committee conducted a thorough search for relevant evidence and found no indication that Warner, or anyone else, ever obtained approval for these loan commitments from the CONCACAF Executive Committee or the Congress, notwithstanding the fact that the CONCACAF Statutes required approval from the Congress for any loans.¹⁹² The CONCACAF financial statements for 1998-99 and 2000-01 report a mortgage loan from First Citizens,¹⁹³ but the financial statements never report the 2007 mortgage loan. Indeed, the Committee found no evidence that anyone at CONCACAF (except for the signatories on the loan) were ever informed of the 2007 loan. Finally, the Committee found no evidence indicating how the loan proceeds for either of the mortgage loans were ultimately used. The Committee also could not determine if the loans had been repaid in full, but as set forth below, Jack Warner stated in 2012 that a balance due still exists on the second loan.¹⁹⁴ Bank records obtained from First Citizens show that as of January 2013 a balance of approximately \$1 million still exists on that same loan.¹⁹⁵

a. The 1998 Mortgage Loan

5.39. In or around September 1998, First Citizens loaned \$475,000 to Warner, his companies, and CONCACAF.¹⁹⁶ The bank secured this loan by creating a charge (an encumbrance) over all three parcels of the COE land.¹⁹⁷ Under the terms of the mortgage deed recording this loan, each party was jointly and severally liable for repayment of the loan.¹⁹⁸ The mortgage deed was signed on behalf of each party by the following individuals:

- For Renraw: (i) Jack Warner as Director; (ii) Kenny Rampersad as Secretary;
- For CCAM: (i) Jack Warner as Director; (ii) Kenny Rampersad as Secretary;
- For CONCACAF: (i) Jack Warner as President; (ii) Harold Taylor (“Taylor”) as Assistant Secretary; and
- For Jack Warner: Jack Warner in his individual capacity.¹⁹⁹

5.40. The Integrity Committee was unable to determine the purported source of Rampersad’s authority, if any, to sign for Renraw or CCAM as Secretary. He was not listed as Secretary, or as an officer or director, for either Renraw or CCAM in annual public corporate filings obtained by the Committee, including filings during the period of the loan.²⁰⁰ Moreover, it

¹⁹¹ Witness Interview Memoranda.

¹⁹² CONCACAF Statutes (2006), Art. 20(g); CONCACAF Statutes (1994), Art. 20(g).

¹⁹³ DOC05930876, DOC05930885.

¹⁹⁴ Witness Interview Memorandum.

¹⁹⁵ DOC05930944.

¹⁹⁶ DOC05930822, DOC05930823.

¹⁹⁷ DOC05930822, DOC05930823.

¹⁹⁸ DOC05930822, DOC05930823.

¹⁹⁹ DOC05930822, DOC05930823.

²⁰⁰ DOC05930822, DOC05930823.

is important to note that the mortgage deed signed by Rampersad shows that the COE property was owned by Renraw and CCAM, but the CONCACAF financial statements audited by Rampersad for the same period report the COE property as a CONCACAF asset.²⁰¹

5.41. Counsel to the Committee spoke with Taylor – who is from Trinidad and Tobago and for many years was the General Secretary of the CFU – to determine the circumstances under which he signed for CONCACAF in connection with the loan.²⁰² Taylor acknowledged that he lacked authority to bind CONCACAF in connection with the loan.²⁰³ When he was shown his signature on the mortgage deed, Taylor recognized that the signature was his and explained that he had signed the document because the attorney who prepared the loan documents for Warner called Taylor to his office and said that Taylor needed to sign the document.²⁰⁴ Taylor further explained, in substance, that he used this attorney extensively in his own personal real estate transactions, trusted him implicitly, and thus paid no attention to the specific document he was signing.²⁰⁵ Taylor stated that he had no knowledge at the time that his signature was intended to bind CONCACAF to the repayment of a mortgage loan, and he stated that he held the title of Deputy General Secretary of CONCACAF – not Assistant Secretary as set forth in the mortgage deed – solely by virtue of his position as General Secretary of the CFU.²⁰⁶ He conceded that this title did not provide him with authority to commit CONCACAF to such a loan.²⁰⁷

5.42. The Committee identified two references in the financial statements to a loan from First Citizens that was secured by a mortgage against the COE.²⁰⁸ These references reflect a balance due to First Citizens that is greater than the original amount (\$475,000) borrowed on the 1998 mortgage loan. In CONCACAF’s 1998-99 financial statements, a note to the long term debt entry explained that a \$3 million loan from First Citizens had been obtained “for the construction of the Dr. Joao Havelange Centre of Excellence” and was secured by “a partial mortgage over the facilities of the Dr. Joao Havelange Centre of Excellence”²⁰⁹ CONCACAF’s 2000-01 financial statements contain a nearly identical note, but omit from CONCACAF’s long term debt the amount of the loan that had been obtained from First Citizens.²¹⁰ Nevertheless, financial records prepared by Kenny Rampersad in connection with

²⁰¹ DOC05930876.

²⁰² Witness Interview Memorandum.

²⁰³ Witness Interview Memorandum.

²⁰⁴ Witness Interview Memorandum.

²⁰⁵ Witness Interview Memorandum.

²⁰⁶ Witness Interview Memorandum.

²⁰⁷ Witness Interview Memorandum.

²⁰⁸ DOC05930876, DOC05930885.

²⁰⁹ DOC05930876.

²¹⁰ DOC05930885.

the 2000-01 financial statements show that the balance of this loan from First Citizens totaled \$5.6 million by year-end 2001.²¹¹

5.43. Because of the lack of records related to payments made for the development of the COE, the Committee could not positively determine if the loan listed in CONCACAF's 1998-99 and 2000-01 financial statements was the same as the 1998 mortgage loan. It is entirely possible that the \$3 million loan listed in the 1998-99 financial statements, and the loan disclosed in the 2000-01 financial statements that records show carried a balance of \$5.6 million, represent additional credit that First Citizens extended to Renraw, CCAM, CONCACAF, and Warner in connection with the 1998 mortgage loan which was originally for \$475,000. Although it is also unclear how any of the these loans were repaid, Warner's December 20, 2001 letter to FIFA suggests that part, or all, of the \$10 million FIFA advanced against CONCACAF's 2003 through 2006 FIFA FAP funds may have been used to repay First Citizens on such loans.²¹² In particular, Warner's December 20, 2001 letter to FIFA states that the requested \$5 million in funding was to be assigned to First Citizens "in consideration of monies advanced from [First Citizens] for operations and development of our Centre of Excellence and will be used to repay those advances to them."²¹³

b. The 2007 Mortgage Loan

5.44. In or around June 2007, First Citizens issued a loan for TT\$11 million (approximately \$1,732,500) to Renraw, CCAM, CONCACAF, and the Dr. Joao Havelange Centre of Excellence.²¹⁴ The bank secured this loan by creating a charge (an encumbrance) over all three parcels of the COE land.²¹⁵ The mortgage deed for this loan specifically identifies Renraw, CCAM, and Warner as parties trading under the name the Dr. Joao Havelange Centre of Excellence.²¹⁶ Under the terms of the mortgage deed, each party is jointly and severally liable for repayment of the loan.²¹⁷ The mortgage deed was signed on behalf of each party by the following individuals:

- For Renraw: (i) Jack Warner as Director; (ii) Patricia Modeste as Secretary;
- For CCAM: (i) Jack Warner as Director; (ii) Patricia Modeste as Secretary;
- For CONCACAF: (i) Jack Warner as President; (ii) Lisle Austin ("Austin") as Vice President; and
- For Jack Warner: Jack Warner in his individual capacity.²¹⁸

²¹¹ DOC05930885, DOC05931264.

²¹² DOC05930884.

²¹³ Id.

²¹⁴ DOC00516282, DOC05930823. The currency conversion was calculated using the June 2007 exchange rate.

²¹⁵ DOC00516282, DOC05930823.

²¹⁶ DOC00516282, DOC05930823.

²¹⁷ DOC00516282, DOC05930823.

²¹⁸ DOC00516282, DOC05930823.

5.45. In connection with the 2007 mortgage loan, Warner submitted an agreement, dated June 11, 2007, that irrevocably assigned to First Citizens monthly payments of \$50,000 that CONCACAF's New York office had been consistently sending to the COE to support its operations.²¹⁹ This assignment was signed by Warner in his capacity as CONCACAF President and Lisle Austin in his capacity as CONCACAF Vice President.²²⁰

5.46. In addition to the assignment of the monthly \$50,000 transfers from CONCACAF's U.S. accounts, First Citizens also required CONCACAF to submit a resolution from CONCACAF's board authorizing the loan commitment.²²¹ Documents received from First Citizens include only the first page of a resolution passed at a June 4, 2007 "meeting of [CONCACAF]" that was held at the CONCACAF President's Office in Trinidad and Tobago.²²² This document lists only Jack Warner and Lisle Austin as attendees at this meeting, and purports to authorize, on behalf of CONCACAF, the 2007 mortgage loan.²²³ It further states that the mortgage deed for the 2007 mortgage loan was presented during this meeting as part of the authorization.²²⁴ The Committee found no evidence that the resolution was ever presented to CONCACAF's Executive Committee or Congress, notwithstanding the fact that the CONCACAF Statutes require authorization from the Congress for any loans. Warner also submitted to First Citizens CONCACAF's financial statements for the year ending 2008.²²⁵ As explained in more detail below, these 2008 financial statements listed the COE as an asset of CONCACAF, described as "Freehold Property," with a net book value of \$16,470,881.²²⁶

5.47. Counsel to the Integrity Committee spoke with Lisle Austin, who is from Barbados and for many years served as Vice President of the CONCACAF Executive Committee, including at the time the loan was issued.²²⁷ Austin readily acknowledged that he lacked authority to bind CONCACAF in connection with the loan.²²⁸ When he was shown his signature on the mortgage deed, Austin indicated that the signature looked like his but also said that he did not recall signing the document and speculated that someone may have transferred his signature onto the document without his knowledge.²²⁹ Austin acknowledged that his position as CONCACAF Vice President did not independently permit him to bind CONCACAF in connection with the 2007 loan and said that, during his tenure on the CONCACAF Executive Committee, he did not recall ever receiving authorization to sign any document on behalf of

²¹⁹ DOC05930907; *infra* paragraph 5.55.

²²⁰ DOC05930907.

²²¹ DOC05930905.

²²² *Id.*

²²³ DOC05930907.

²²⁴ *Id.*

²²⁵ DOC05930919.

²²⁶ *Id.*

²²⁷ Witness Interview Memorandum.

²²⁸ Witness Interview Memorandum.

²²⁹ Witness Interview Memorandum.

CONCACAF.²³⁰ Austin did recall signing a shorter, one-page loan document at Warner's request, and on behalf of the CFU, authorizing repairs to the COE facilities.²³¹ Austin stated that the loan document was presented to him by Warner during an informal meeting with Warner and Patricia Modeste, who was Warner's long-time secretary and who appeared as Secretary to both Renraw and CCAM on documents related to the loan.²³² Austin did not explain how he would have had authority to sign the one-page loan document on behalf of the CFU related to repairs to the COE.²³³

9. The Executive Committee and Congress and the COE

5.48. The evidence reviewed by the Integrity Committee shows that Jack Warner represented to the CONCACAF Executive Committee and Congress that the COE would be a CONCACAF asset. More specifically, the evidence showed that: (i) Warner falsely represented that CONCACAF owned the COE; (ii) Warner failed to disclose the material fact that he owned the land on which the COE was built; and (iii) current and former CONCACAF Executive Committee members believed that the COE was owned by CONCACAF.

5.49. Warner made numerous representations that CONCACAF owned the COE. Most significantly, from the inception of the COE, Warner reported it as an asset on the CONCACAF balance sheet.²³⁴ Warner made other similar representations. For example, during a July 2001 meeting, Warner told the CONCACAF Executive Committee that the underutilized COE was increasingly being used for its intended purpose and that "we shall, of course, ultimately become proud owners."²³⁵

5.50. On many occasions, Warner discussed the COE but omitted the fact that title was held by his companies. During the 16 years from Warner's initial presentation of the COE concept to the Executive Committee until his resignation, Warner provided frequent updates, both oral and in writing, to the Executive Committee on the development and operations of the COE. In fact, the meeting materials reviewed by the Committee show that the COE was discussed at least 27 times during the 45 Executive Committee and Congress meetings that were held from the time that Warner first presented the COE project until his resignation. Nevertheless, the Committee was unable to locate a single instance in the meeting materials where Warner, or anyone else, mentioned the existence of Warner's companies or the possibility that anyone other than CONCACAF owned the COE. Warner's failure to disclose the true owner of the COE was particularly significant on certain occasions, such as when Warner: (i) sought Executive Committee approval in 1995 to commit CONCACAF funds to the COE project

²³⁰ Witness Interview Memorandum.

²³¹ Witness Interview Memorandum.

²³² Witness Interview Memorandum.

²³³ Witness Interview Memorandum.

²³⁴ DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

²³⁵ DOC05926244.

which was estimated to cost \$7.5 million;²³⁶ (ii) sought Executive Committee approval in 1996 to commit an additional \$7.5 million in CONCACAF funds to the COE;²³⁷ (iii) informed the Executive Committee in 1997 that project costs had increased to \$16 million;²³⁸ or (iv) informed the Executive Committee in 2006 that additional funding was needed for repairs to the COE.²³⁹ Warner similarly omitted such facts when he described the acquisition of Parcel 3 to the Executive Committee.²⁴⁰

5.51. The evidence reviewed by the Committee shows that current and former members of the Executive Committee were left with the clear impression that the COE was owned by CONCACAF. During the course of the investigation, counsel to the Committee interviewed current members of the CONCACAF Executive Committee and sought to locate and interview every living former member of the Executive Committee on the issue of ownership of the COE, among other issues. Without exception, every current or former Executive Committee member interviewed stated that he had no knowledge, before the issue became public in 2012, that the land on which the COE was developed was owned by Warner through his companies.²⁴¹ And with one exception, each of these individuals also stated that he always believed that the COE was owned by CONCACAF.²⁴² The lone exception was Lisle Austin, the former Vice President of CONCACAF, who said that he believed that the COE was a project initiated in concept by the CFU that CONCACAF had later joined.²⁴³ Austin also stated, however, that he was never told that the CFU had an actual ownership interest in the COE until Warner told him this sometime after Warner's resignation in 2011.²⁴⁴ Austin, as a member of the CFU Executive Committee, had access to CFU financial statements. He acknowledged that the CFU had limited assets and did not recall it carrying the COE as an asset on its balance sheet.²⁴⁵ Indeed, the Committee obtained a draft of the 2005 CFU financial statements which confirm that the CFU did not carry the COE as an asset on its balance sheet.²⁴⁶

10. Recent Statements by Jack Warner

5.52. After public reports emerged in May 2012 suggesting that Warner, not CONCACAF, held title to the land on which the COE was developed, Jack Warner apparently made multiple, inconsistent statements to the media concerning this issue. On May 26, 2012,

²³⁶ DOC05930827, DOC05930838.

²³⁷ DOC05930838.

²³⁸ DOC05930842.

²³⁹ DOC05930899.

²⁴⁰ DOC05930842, DOC05930858, DOC05930866.

²⁴¹ Witness Interview Memoranda.

²⁴² Witness Interview Memoranda.

²⁴³ Witness Interview Memorandum.

²⁴⁴ Witness Interview Memorandum.

²⁴⁵ Witness Interview Memorandum.

²⁴⁶ DOC05930889.

Warner told a reporter from a television station in Trinidad and Tobago that he possessed a letter that showed that the COE was a gift to the CFU from João Havelange, the former President of FIFA.²⁴⁷ Separately, a newspaper article appeared on May 27, 2012, in which Warner was quoted denying that he owned the COE. Reportedly, Warner stated: “What I do know is that I don’t own it [the COE], so what is all the fuss about?”²⁴⁸ More recently, during a meeting with the current CONCACAF General Secretary, Enrique Sanz, that took place in September 2012, Warner stated that the COE is owned jointly by his family and the CFU, and he claimed to have a letter from Havelange in which Havelange purportedly gifted the COE to the CFU and Warner’s family.²⁴⁹ During the same meeting, Warner acknowledged that there was an outstanding balance on loans secured by the COE property, but that much of the loan principal had been repaid.²⁵⁰

B. CONCACAF Operations in Trinidad and Tobago

5.53. CONCACAF operations in Trinidad and Tobago consisted of daily business activities at the Centre of Excellence and the CONCACAF President’s Office. As described below, for many years, CONCACAF made monthly payments to subsidize the cost of operations at the COE and the President’s Office. The Committee reviewed these payments in the context of the Executive Committee’s request that the Committee review and determine whether any of CONCACAF’s funds were misused during the prior five years. The Committee’s factual findings with regard to payments associated with CONCACAF operations in Trinidad and Tobago are set forth below.

1. Monthly Payments to the COE and the President’s Office

5.54. From 1996 to 2011, CONCACAF provided a total of nearly \$11 million in routine, monthly payments to support operations at the COE and the President’s Office in Trinidad and Tobago. CONCACAF provided over \$5.3 million to the President’s Office to support its operations from 1996 to 2011.²⁵¹ These monthly payments were usually made in round numbers but, at times, the amounts varied.²⁵² Records show that from 1996 to 2003, monthly payments to the President’s Office ranged from \$10,000 to \$25,000 per month.²⁵³ From 2004 to 2011, the payments increased and ranged from \$25,000 to \$45,000 per month.²⁵⁴

²⁴⁷ See Ian Prescott, Who Owns Centre of Excellence?, TRINIDAD EXPRESS (May 26, 2012), http://www.trinidadexpress.com/sports/Who_owns_Centre_of_Excellence_-154630485.html.

²⁴⁸ See Shastri Boodan, Warner: I Won’t be Destroyed by FIFA, TRINIDAD AND TOBAGO GUARDIAN (May 27, 2012), <http://guardian.co.tt/news/2012-05-27/warner-i-won%E2%80%99t-be-destroyed-fifa>.

²⁴⁹ Witness Interview Memorandum.

²⁵⁰ Witness Interview Memorandum.

²⁵¹ DOC05931319.

²⁵² Id.

²⁵³ Id.

²⁵⁴ Id.

5.55. Separately, nearly \$5.6 million was provided to the COE between 2000 and 2011.²⁵⁵ More specifically, from 2000 to 2003, CONCACAF sent \$1,260,000 in 23 separate wire transfers to a bank account at First Citizens controlled by Warner that was held by Warner's partnership, named the "Dr. Joao Havelange Centre of Excellence."²⁵⁶ The payments that comprised this \$1,260,000 were typically in amounts of \$50,000.²⁵⁷ Beginning in April 2004, CONCACAF wired \$50,000 to this account every month.²⁵⁸ In 2011, the amount increased to \$75,000 per month.²⁵⁹

2. Accounting Records for Operations in Trinidad and Tobago

5.56. The Integrity Committee was unable to determine how any of the CONCACAF funds allocated to subsidize daily operations at the COE and the President's Office were actually expended. Detailed accounting records for operations at the COE and the President's Office were not maintained in CONCACAF's New York office. Instead, it appears as though all accounting records related to the expenditures at the COE and the former President's Office in Trinidad and Tobago were created and maintained in Trinidad and Tobago under the control of Jack Warner. As discussed previously, Warner declined to provide records to the Committee,²⁶⁰ and CONCACAF's former auditor, and COE accountant, based in Trinidad and Tobago – Kenny Rampersad – did not respond to the Committee's requests for information. The Committee also has not received relevant bank records from Trinidad and Tobago that would reflect the transfer or distribution of the funds sent there.

5.57. At least one witness reported that Chuck Blazer at times requested that Warner provide an itemized accounting of expenses for operations at the COE and the President's Office.²⁶¹ Blazer apparently received a regular accounting of expenses from CONCACAF's regional office in Guatemala.²⁶² Warner refused to comply with Blazer's requests, however, and Blazer ultimately established a monthly fixed amount that had the effect of capping Warner's unsupported monthly expenses.²⁶³

5.58. As discussed more thoroughly below, CONCACAF's financial statements typically reported the total amount of annual payments made to support its operations in Trinidad and Tobago, without detailing the financial activity at the COE or the President's Office, including any of the revenue, expenses, or cash receipt and expenditure activity for those

²⁵⁵ DOC05930942.

²⁵⁶ DOC00292447, DOC05930941, DOC05930942.

²⁵⁷ DOC05930942.

²⁵⁸ Id.

²⁵⁹ Id.

²⁶⁰ See supra paragraphs 4.6-4.10.

²⁶¹ Witness Interview Memorandum.

²⁶² Witness Interview Memorandum.

²⁶³ DOC05930942, DOC05930943; Witness Interview Memorandum.

operations.²⁶⁴ CONCACAF also failed to include the financial activity of its operations in Trinidad and Tobago in its general accounting ledgers. Accordingly, the Committee was unable to obtain an accounting of how the approximately \$11 million in combined funding sent to the COE and the President's Office were spent and was unable to determine whether those funds were comingled with Warner's other business affairs.

3. Recent Statements by Chuck Blazer

5.59. In statements made after his resignation from CONCACAF, Chuck Blazer sought to separate himself from CONCACAF operations in Trinidad and Tobago. In a 2012 email to CONCACAF officials, Blazer stated that CONCACAF operations in Trinidad and Tobago were a "total enigma" and explained:

[M]y only involvement with [the COE and President's Office] was to make the payments to Jack's office [the President's Office] and the COE on a monthly basis as authorized I never had any authority nor management responsibility over the COE, the Presidential Office, its bank accounts nor property holdings. This information was always added in the Consolidation [of CONCACAF's financial statements] by the Auditor, Mr. Kenny Rampersad, and never done by me nor my staff.²⁶⁵

In 2010, Blazer acknowledged to another CONCACAF senior official that this funding provided for the COE was potentially misused, stating "[t]here are so many things that we could have done with the 10s of millions of dollars wasted there."²⁶⁶

C. The Former General Secretary's Compensation

5.60. From 1990 to 2011, CONCACAF paid Chuck Blazer more than \$20 million for his services as General Secretary. In 2011 and 2012, public allegations arose regarding whether Blazer's compensation had been properly disclosed to the Executive Committee of CONCACAF.²⁶⁷ The Executive Committee requested that the Integrity Committee review and determine the facts related to compensation paid to the former General Secretary, including the provisions of a contract he had with CONCACAF, specifically those pertaining to commissions and the contract's expiration. The Committee's factual findings on these issues are set forth below.

²⁶⁴ See *infra* paragraphs 5.140-5.141.

²⁶⁵ DOC00382575.

²⁶⁶ DOC02277184.

²⁶⁷ See Richard Conway, Jack Warner statement on Chuck Blazer - 31st August 2011, RICHARD CONWAY'S POSTEROUS (August 31, 2011), <http://richardmconway.posterous.com/jack-warner-statement-on-chuck-blazer-31st-au>; Richard Conway, Fifa's Chuck Blazer 'Used Football Funds' for New York Apartment, BBC (June 8, 2012), <http://www.bbc.co.uk/sport/0/football/18367869>.

1. The Sportvertising Contracts

5.61. Chuck Blazer was appointed General Secretary of CONCACAF in 1990, shortly after Jack Warner was elected as CONCACAF President.²⁶⁸ CONCACAF initially secured Blazer's services by means of a written contract, dated July 31, 1990, between CONCACAF and Sportvertising, Inc., a New York corporation ("Sportvertising NY"), that commenced on April 28, 1990 and expired on July 17, 1994 (the "1990 Sportvertising Contract").²⁶⁹ Thereafter, CONCACAF continued to retain Blazer's services by means of a second written contract, dated July 18, 1994, between CONCACAF and Sportvertising, Inc., a Cayman Islands corporation ("Sportvertising Cayman"), that commenced on July 18, 1994 and expired on July 17, 1998 (the "1994 Sportvertising Contract").²⁷⁰

5.62. The 1990 Sportvertising Contract specified that Sportvertising NY was to provide a Sportvertising NY employee to perform the functions of the CONCACAF General Secretary.²⁷¹ Blazer was not specifically named as that employee.²⁷² CONCACAF agreed, among other things, to provide "an office and administrative support" to the General Secretary and to pay Sportvertising NY: (i) a monthly "basic fee" that would "be subject to an increase based on an annual review;" (ii) a revenue-based "override fee;" (iii) a monthly "administrative fee" subject to certain maximums; and (iv) a fee to cover employee benefits.²⁷³ The "override fee" was intended to compensate Sportvertising NY "[f]or obtaining and/or maintaining sponsorships and TV rights fees."²⁷⁴ It was to equal a 10% commission "on all sponsorships and TV rights fees from all sources received by CONCACAF or for CONCACAF programs/tournaments, exclusive of sponsorships arranged at the local level on tournaments and events."²⁷⁵ The Contract contemplated that Sportvertising NY would earn such commissions on contracts entered into prior to July 17, 1994, but that CONCACAF's obligation to pay Sportvertising NY would not arise until CONCACAF received payments on these contracts, even if such payments were received after July 17, 1994.²⁷⁶ An unsigned version of the 1990 Sportvertising Contract contemplated an "override fee" comprised solely of a 10% commission on sponsorship revenues, suggesting that "TV rights fees" were added during the negotiations.²⁷⁷ The 1990 Sportvertising Contract was executed by Jack Austin Warner as CONCACAF President and Charles G. Blazer as Sportvertising NY President.²⁷⁸ The 1990 Sportvertising

²⁶⁸ Witness Interview Memorandum.

²⁶⁹ DOC05930947.

²⁷⁰ DOC00591791.

²⁷¹ DOC05930947.

²⁷² Id.

²⁷³ Id.

²⁷⁴ Id.

²⁷⁵ Id.

²⁷⁶ Id.

²⁷⁷ DOC00591792.

²⁷⁸ DOC05930947.

Contract stated that it could not be modified or amended, except by a written instrument executed by the parties.²⁷⁹

5.63. In the 1994 Sportvertising Contract, Sportvertising NY was replaced by Sportvertising Cayman as the contract party responsible for providing an employee to perform the functions of the General Secretary.²⁸⁰ The 1994 Sportvertising Contract, which defined substantially the same obligations as the 1990 Sportvertising Contract, extended the parties' obligations for a period of four years until July 17, 1998.²⁸¹ This contract was executed by Jack Austin Warner as CONCACAF President and Charles G. Blazer as Sportvertising Cayman President.²⁸² Like the 1990 Sportvertising Contract, the 1994 Sportvertising Contract specified that it could not be modified or amended, except by a written instrument executed by the parties.²⁸³

5.64. The Committee found no evidence indicating that either Sportvertising Contract was ever modified or amended or that CONCACAF ever signed a subsequent contract with regard to Blazer's compensation.

5.65. The evidence reviewed by the Committee suggests that Sportvertising NY and Sportvertising Cayman existed only to serve as contractual counterparties in connection with Blazer's employment by CONCACAF.²⁸⁴ The Committee found no evidence that either Sportvertising entity ever provided services to CONCACAF beyond supplying an employee – Blazer – to function as the CONCACAF General Secretary. The evidence also showed that Sportvertising Cayman had a bank account at FirstCaribbean International Bank in the Cayman Islands that was dormant from at least July 2004 to July 2011, as well as a brokerage account at Merrill Lynch.²⁸⁵

2. Sponsorship Revenue Growth

5.66. Blazer's tenure as CONCACAF General Secretary corresponded with a period of significant revenue growth for CONCACAF, with reported annual revenues rising from just over \$1 million in 1991 to over \$25 million in 2010 (over \$35 million in 2009, a Gold Cup year).²⁸⁶ According to CONCACAF's financial statements, its largest source of income during this 20-year period was "sponsorship" revenues.²⁸⁷ In recent years, such "sponsorship" revenues

²⁷⁹ Id.

²⁸⁰ DOC00591791.

²⁸¹ Id.

²⁸² Id.

²⁸³ Id.

²⁸⁴ Witness Interview Memorandum.

²⁸⁵ DOC00592191.

²⁸⁶ DOC05930824, DOC05930927, DOC05930922.

²⁸⁷ DOC05930824, DOC05930832, DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927 (The corresponding line item's name has evolved over the years from "Sponsorship" in the financial statements for 1992-

accounted for nearly all of CONCACAF's income.²⁸⁸ CONCACAF's accounting records appear to show that "sponsorship" revenues, as reported in its financial statements, included all revenues associated with the sale of sponsorship and broadcasting rights, as well as other tournament promotion proceeds, such as gate receipts.²⁸⁹ "Sponsorship" revenues, as reported in the financial statements, did not include grants from FIFA, among other things.

5.67. As further explained below, a large part of CONCACAF's revenue growth during this period resulted from its efforts to develop the Gold Cup and other tournaments. CONCACAF accomplished this, in part, by partnering with third parties to leverage their expertise in tournament promotion and the sale of broadcast and sponsorship rights. CONCACAF also sought to increase its own capacity to handle the sale of such rights by establishing CMTV, a wholly owned subsidiary, and hiring additional sales staff.

a. InterForever Sports, Inc.

5.68. In October 1994, CONCACAF entered into an agreement with InterForever Sports, Inc. ("InterForever"),²⁹⁰ a company with expertise in the promotion and commercialization of sporting events, to secure InterForever's assistance with the organization and marketing of the Gold Cup.²⁹¹ Under this agreement and a series of subsequent renewals and amendments, CONCACAF bundled and sold to InterForever nearly all of its broadcast, advertising, sponsorship, gate, and merchandizing rights for the 1996, 1998, 2000, 2002, and 2003 Gold Cups in exchange for structured, flat, per tournament payments from InterForever.²⁹² Notably, the gate rights included all revenues from the marketing and sale of tickets for each of the Gold Cup matches.²⁹³ In purchasing these rights, InterForever: (i) assumed responsibility for nearly all of the Gold Cup's attendant obligations and costs, including renting of venues, staffing matches, covering fees, organizing press conferences, producing TV broadcasts; and (ii) received nearly all of the tournament's related revenues, including proceeds from the sales of match tickets, TV broadcasts, and sponsorships.²⁹⁴

5.69. CONCACAF entered into other related agreements with InterForever, including: (i) a December 1996 agreement covering the multi-year sale of CONCACAF's broadcast,

93 though 2002-03, to "Sponsorship, Broadcast & Events" in 2004-05 financial statements, to "Marketing & Sponsorship" in the financial statements for 2006-07 though 2010.).

²⁸⁸ DOC05930927 ("Marketing & Sponsorship" accounted for over 92% of CONCACAF's non-FIFA revenues in 2010).

²⁸⁹ DOC05931273.

²⁹⁰ InterForever was later acquired by Traffic Sports USA, Inc. For consistency, this Report will refer to the companies collectively as InterForever, even though the company was known as Traffic Sports USA, Inc. during part of the relevant period.

²⁹¹ DOC05930951, DOC05931244, DOC05931250.

²⁹² DOC05931257, DOC05931255, DOC05931252, DOC05930951, DOC05930953, DOC05930961.

²⁹³ DOC05931257.

²⁹⁴ DOC05931257, DOC05930953, DOC05930961.

advertising and sponsorship rights for various non-Gold Cup CONCACAF tournaments;²⁹⁵ and (ii) a November 1999 agreement covering the multi-year sale of CONCACAF's broadcast, advertising, sponsorship, gate, and merchandizing rights for the Women's Gold Cup tournament.²⁹⁶

5.70. In 2003, CONCACAF decided to end the practice of outsourcing the sale of its tournament broadcast and sponsorship rights and instead chose to handle the sale of such rights internally.²⁹⁷ Accordingly, in March 2003, CONCACAF canceled its previously negotiated arrangements with InterForever for the 2005 Gold Cup and Women's Gold Cup and the rights for each – along with all of the accompanying obligations, costs, and revenues – reverted to CONCACAF.²⁹⁸

b. Creation of CMTV and Increased Staff

5.71. In preparation for the 2005 Gold Cup, CONCACAF sought to maximize revenues by developing its own abilities to handle the sale of tournament-related broadcast and sponsorship rights.²⁹⁹ As part of this transition, CONCACAF established CMTV, a wholly-owned subsidiary, to assist with the direct sales of such rights and hired InterForever's CEO to serve as the Director of TV and Broadcasting for CMTV.³⁰⁰ CONCACAF also hired additional employees, including a Deputy General Secretary to focus on developing CONCACAF's various tournaments and marketing its broadcast and sponsorship rights.³⁰¹ By 2010, the annual compensation for the employee who held this Deputy General Secretary position had reached more than \$500,000.³⁰²

c. Soccer United Marketing, LLC

5.72. To assist with tournament operations for the 2005 Gold Cup, CONCACAF entered into a Match Promotion Agreement in August 2004 with Soccer United Marketing, LLC ("SUM"), the marketing arm of Major League Soccer.³⁰³ Under this agreement, SUM organized and promoted Gold Cup matches and in return collected the gross revenues for those matches – including proceeds from the sales of match tickets, luxury suite rentals, parking, and venue concessions.³⁰⁴ SUM then shared these gross revenues with CONCACAF by paying

²⁹⁵ DOC05931250, DOC05930952.

²⁹⁶ DOC05931258, DOC05930955.

²⁹⁷ DOC05930958, DOC05930962.

²⁹⁸ DOC05931252, DOC05931253, DOC05930961.

²⁹⁹ DOC05930961.

³⁰⁰ DOC05930958, DOC05930961, DOC05930962.

³⁰¹ See, e.g., Press Release, CONCACAF, CONCACAF Appoints New Deputy General Secretary (Nov. 8, 2007), available at <http://www.concacaf.com/page/ConfederationDetail/0,,12813~1858850,00.html>.

³⁰² DOC05931003; Witness Interview Memorandum.

³⁰³ DOC05930961, DOC00228273.

³⁰⁴ DOC00228273.

CONCACAF guaranteed minimum amounts for each Gold Cup cycle along with incremental percentage-based amounts of gross revenues in excess of certain thresholds.³⁰⁵

5.73. CONCACAF initially excluded the sale of sponsorship rights from its relationship with SUM.³⁰⁶ However, CONCACAF and SUM later entered into an agreement, covering 2008 through 2012, by which SUM obtained the right to sell sponsorship and licensing rights for the Gold Cup and Champions League tournaments.³⁰⁷ In return, SUM agreed to pay CONCACAF guaranteed minimum amounts for each year and incremental percentage-based amounts of gross sponsorship revenues in excess of certain thresholds.³⁰⁸

3. Compensation Payments to the Former General Secretary

5.74. Accounting records show that, from 1996 through 2011, Blazer received more than \$20.6 million in compensation from CONCACAF. Specifically, CONCACAF paid: (i) over \$15.3 million to Blazer in commissions; (ii) over \$4.4 million to Blazer in fees; and (iii) over \$837,000 in rent expenses for apartments used by Blazer. Annual totals for these categories of payments are as follows:

Year	Commissions Paid	Fees Paid	Rent Paid	Grand Total
1996	\$ 195,000.00	\$ 85,000.00	\$ 43,310.34	\$ 323,310.34
1997	30,000.00	294,000.00	15,733.33	339,733.33
1998	579,250.00	165,000.00	56,000.00	800,250.00
1999	95,000.00	45,000.00	68,000.00	208,000.00
2000	-	565,000.00	48,000.00	613,000.00
2001	625,000.00	84,000.00	72,000.00	781,000.00
2002	110,000.00	204,000.00	72,000.00	386,000.00
2003	60,000.00	226,000.00	48,000.00	334,000.00
2004	295,412.67	391,200.00	60,000.00	746,612.67
2005	641,651.51	326,340.00	54,000.00	1,021,991.51
2006	549,565.00	304,470.00	60,000.00	914,035.00
2007	913,497.35	343,726.00	60,000.00	1,317,223.35
2008	1,770,027.22	371,573.00	60,000.00	2,201,600.22
2009	2,310,319.00	210,630.00	60,000.00	2,580,949.00
2010	951,985.13	515,615.20	60,000.00	1,527,600.33
2011	6,191,045.66	320,074.88	-	6,511,120.54
Grand Total	\$ 15,317,753.54	\$ 4,451,629.08	\$ 837,043.67	\$ 20,606,426.29

The Committee was unable to obtain complete accounting records relating to payments made to Blazer prior to 1996, but CONCACAF's financial statements show that, from 1991 through 1995, more than \$1 million was recorded in expense line items for "Commissions" and

³⁰⁵ Id.

³⁰⁶ Id. However, under the Match Promotion Agreement, CONCACAF and SUM were to share evenly any revenues generated by SUM in its efforts to secure local sponsors for the matches. Id.

³⁰⁷ DOC05930968, DOC05930963.

³⁰⁸ DOC05930968.

“Administration Fees”³⁰⁹ – both of which were associated with compensation paid to Blazer. CONCACAF’s records further suggest that CONCACAF made compensation-related payments to Blazer from 1991 through 1995 totaling approximately \$837,440.³¹⁰

a. Accrual of Commissions and Fees

5.75. The Committee’s review of CONCACAF’s accounting records shows that Blazer periodically accrued in CONCACAF’s accounting system amounts that he anticipated paying to himself. On the surface, these amounts appear to correspond with the commissions and fees that were described in the Sportvertising Contracts.

5.76. More specifically, each year, Blazer accrued in a “commissions payable” account amounts equal to 10% of CONCACAF’s payments for that year from revenues that were ultimately classified as “sponsorship” revenues for purposes of its financial statements. These accruals appear initially to resemble the “override” fees described in the Sportvertising Contracts, which entitled the Sportvertising entities to collect 10% commissions “on all sponsorships and TV rights fees from all sources received by CONCACAF or for CONCACAF programs/tournaments”³¹¹ However, a more careful examination reveals that the “sponsorship” revenues included substantially more than the “sponsorship and TV rights fees” called for under the Sportvertising Contracts. For example, “sponsorship” revenues appear to have included match promotion proceeds from the sales of tournament match tickets, luxury suite rentals, parking, and venue concessions, amounts which clearly do not qualify as “sponsorship and TV rights fees.”³¹² In fact, CONCACAF’s accounting records appear to show that Blazer simply accrued in the “commissions payable” account amounts equal to 10% of CONCACAF’s total proceeds from its agreements with InterForever and SUM, without separating out revenue that did not qualify as “sponsorship and TV rights fees” under the Sportvertising Contracts.³¹³

5.77. Blazer also accrued, and paid himself, a \$300,000 commission which appears to have been connected to a \$3 million grant that CONCACAF received from FIFA. In 2006, CONCACAF built a television broadcast studio within its offices in the Trump Tower.³¹⁴ On January 18, 2006, FIFA Marketing & TV AG – the marketing arm of FIFA³¹⁵ – made a \$3 million payment to CONCACAF to support construction of the studio.³¹⁶ CONCACAF’s

³⁰⁹ DOC05930824 (1991: \$68,277 in Commissions and \$88,700 in Administration Fees; 1992-93: \$33,095 in Commissions and \$216,488 Administration Fees), DOC05930832 (1994-95: \$208,473 in Commissions and \$293,322 in Administration Fees).

³¹⁰ DOC05931303.

³¹¹ DOC05930947, DOC00591791.

³¹² DOC00228273, DOC05931273, DOC05930947, DOC00591791.

³¹³ DOC05931273.

³¹⁴ DOC05931262; Witness Interview Memorandum.

³¹⁵ See Press Release, FIFA, FIFA Marketing AG, FIFA's New Marketing Arm (May 18, 2012), [available at http://www.fifa.com/aboutfifa/organisation/news/newsid=86202/index.html](http://www.fifa.com/aboutfifa/organisation/news/newsid=86202/index.html).

³¹⁶ DOC05931308.

accounting records indicate that the payment was related to “Technology, Studio Equipment and Services for Market Development in Support of the Broadcast Contracts for the United States of the World Cups 2010 and 2014” and had been “approved by the FIFA Finance Committee on 5 December 2005.”³¹⁷ On January 31, 2006, two weeks after CONCACAF received the payment, Blazer accrued a \$300,000 commission to the “commissions payable” account.³¹⁸ The accrual is described in the accounting records as a “Comm[ission] on Sony Equipment Sponsorship.”³¹⁹ Although the Committee was unable to conduct a full investigation of the issue, it found no evidence that Sony served as a CONCACAF sponsor. Rather, CONCACAF made over \$1.2 million in payments to Sony Electronics, Inc. in 2006 as part of its purchase of equipment for the broadcast studio.³²⁰ This suggests that Blazer accrued a 10% commission on funds that CONCACAF received from FIFA to assist with the cost of building the broadcast studio – revenue that would not qualify as “sponsorship and TV rights fees” under the Sportvertising Contracts.³²¹

5.78. Blazer also separately accrued in a “fees payable” account amounts that, on the surface, appear to resemble the monthly “basic” and “administrative” fees described in the Sportvertising Contracts, which contemplated that such fees would total as much as \$300,000 annually beginning in 1995.³²²

³¹⁷ Id.

³¹⁸ DOC05931268.

³¹⁹ Id.

³²⁰ DOC05931262.

³²¹ DOC05930947, DOC00591791.

³²² See DOC05931269, DOC05930947, DOC00591791. Under the 1994 Sportvertising Contract: (i) the “basic fee” was set at \$10,000 per month in 1995 and thereafter was “subject to an increase based on an annual review;” and (ii) the “administrative fee” was set at a monthly maximum of \$15,000. DOC00591791.

5.79. Annual totals for these commissions and fees accruals are as follows:

Accrual of Commissions and Fees					
Year	"Commissions Payable" Account Accruals per Accounting Records	"Commissions" and "Commissions & Fees" Expense Line Items per Financial Statements	"Fees Payable" Account Accruals per Accounting Records	"Administration Fees" Expense Line Items per Financial Statements	Notes
1990	-	\$ 68,277	-	\$ 88,700	1
1991	-		-		1
1992	-	133,095	-	216,488	1
1993	-		-		1
1994	-	208,473	-	293,322	1
1995	\$ 50,916		\$ 120,000		1
1996	265,632	461,518	145,000	290,000	
1997	195,886		145,000		
1998	605,500	976,176	215,000	430,000	2
1999	370,558		215,000		2
2000	865,000	1,195,000	215,000	475,000	
2001	330,000		260,000		
2002	585,748	887,537	280,000	560,000	
2003	-		180,000		3
2004	328,000	1,667,763	280,000	560,000	
2005	1,339,763		280,000		
2006	951,277	951,277	280,000	280,000	
2007	1,539,077	1,539,077	280,000	280,000	
2008	1,181,911	1,181,911	280,000	280,000	
2009	2,822,714	2,822,714	280,000	280,000	
2010	1,919,671	1,919,671	280,000	280,000	
2011	4,672,522	4,672,522	280,000	-	4
Total	\$ 18,024,174	\$ 18,685,011	\$ 4,015,000	\$ 4,313,510	5
Notes	1: Accounting records from the period prior to 1996 obtained by the Committee were incomplete. 2: The Committee notes the \$118 discrepancy between the "commissions payable" accruals for 1998 and 1999 and the "Commissions" expense line item on the 1998-99 financial statements. 3: Accounting records for 2003 obtained by the Committee were incomplete. 4: The 2011 financial statements do not separately break out "Administration Fees," which are instead presented as part of the "General and administrative expenses" line item. 5: Discrepancies in the total amounts result primarily from the issues addressed in Notes 1-4.				

5.80. Blazer continued to accrue commissions and fees even after the 1994 Sportvertising Contract expired on July 17, 1998. The Committee's advisors conducted a review of CONCACAF's accounting records to separate those commissions and fees that were properly earned under the Sportvertising Contracts from those that were not. The task was complicated by the fact that the 1994 Sportvertising Contract authorized Blazer, through Sportvertising Cayman, to receive commissions on payments received after July 17, 1998, in connection with contracts that were entered into on or before July 17, 1998.³²³ As a result, the Committee's advisors had to separate revenues from contracts entered into on or before July 17, 1998, from those entered into after that date, a considerable challenge given that CONCACAF's accounting records do not consistently associate specific payments with specific contracts. The issue was less complicated with regard to fees because the 1994 Sportvertising Contract did not permit Blazer, through Sportvertising Cayman, to receive fees after the 1994 Sportvertising Contract expired on July 17, 1998. As result of this review, the Committee concluded that Blazer appears

³²³ DOC00591791.

to have accrued at least \$11 million in commissions and \$3.5 million in fees that were not authorized under either of the Sportvertising Contracts.³²⁴ Blazer accrued an additional \$6 million in commissions beyond these amounts after July 17, 1998.³²⁵ It is likely that some of these commissions also were not authorized under either of the Sportvertising Contracts. Additional forensic accounting review is necessary to determine the precise amount of unauthorized compensation that Blazer accrued outside of the Sportvertising Contracts.

b. Payments of Commissions and Fees

5.81. Periodically, Blazer authorized payments that would be recorded in the accounting records as reductions to the “commissions payable” and the “fees payable” accounts.³²⁶ Although commissions and fees earned under the 1994 Sportvertising Contract were to be paid to Sportvertising Cayman, CONCACAF’s accounting records dating back to 1996 show only two payments to Sportvertising Cayman: one in 1996 and another in 2011. Instead, most of the payments that were recorded as reductions to the “commissions payable” and the “fees payable” accounts were made to other entities associated with Blazer: En Passant, Ltd., En Passant, Inc., and Multisport Games Development, Inc. (“Multisport”).

5.82. Blazer also caused CONCACAF to make direct payments to various third parties on his behalf that were recorded as reductions to the “commissions payable” and the “fees payable” accounts. For example, CONCACAF made such payments to landlords for apartments used by Blazer and to a person who appears to have been Blazer’s housekeeper. Annual totals for CONCACAF payments as reflected in the “commissions payable” and the “fees payable” accounts are as follows:

Commissions Paid								
Year	En Passant, Inc.	En Passant, Ltd.	Multisport	Sportvertising Cayman	Atlantis Apartments	American Express	Other	Grand Total
1996	\$ -	\$ 195,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,000.00
1997	22,000.00	-	-	-	-	-	8,000.00	30,000.00
1998	579,250.00	-	-	-	-	-	-	579,250.00
1999	95,000.00	-	-	-	-	-	-	95,000.00
2000	625,000.00	-	-	-	-	-	-	625,000.00
2001	-	-	-	-	-	-	-	-
2002	110,000.00	-	-	-	-	-	-	110,000.00
2003	60,000.00	-	-	-	-	-	-	60,000.00
2004	50,000.00	-	30,000.00	-	-	115,412.67	100,000.00	295,412.67
2005	245,000.00	-	50,000.00	-	-	346,651.51	-	641,651.51
2006	70,000.00	-	160,000.00	-	-	314,565.00	5,000.00	549,565.00
2007	140,000.00	-	500,000.00	-	-	273,497.35	-	913,497.35
2008	50,000.00	-	470,000.00	-	910,000.00	340,027.22	-	1,770,027.22
2009	-	-	400,000.00	-	1,147,409.49	762,909.51	-	2,310,319.00
2010	-	-	600,000.00	-	-	351,985.13	-	951,985.13
2011	350,000.00	-	3,850,000.00	1,400,000.00	-	591,045.66	-	6,191,045.66
Grand Total	\$ 2,396,250.00	\$ 195,000.00	\$ 6,060,000.00	\$ 1,400,000.00	\$ 2,057,409.49	\$ 3,096,094.05	\$ 113,000.00	\$ 15,317,753.54

³²⁴ DOC05931274, DOC05931269.

³²⁵ DOC05931274.

³²⁶ Witness Interview Memorandum.

Fees Paid								
Year	En Passant, Inc.	En Passant, Ltd.	Multisport	Sportsvertising Cayman	Landlords	Housekeeper	Other	Grand Total
1996	\$ 40,000.00	\$ 25,000.00	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -	\$ 85,000.00
1997	294,000.00	-	-	-	-	-	-	294,000.00
1998	165,000.00	-	-	-	-	-	-	165,000.00
1999	45,000.00	-	-	-	-	-	-	45,000.00
2000	565,000.00	-	-	-	-	-	-	565,000.00
2001	-	-	-	-	84,000.00	-	-	84,000.00
2002	60,000.00	-	-	-	144,000.00	-	-	204,000.00
2003	190,000.00	-	-	-	36,000.00	-	-	226,000.00
2004	175,000.00	-	50,000.00	-	166,200.00	-	-	391,200.00
2005	165,000.00	-	-	-	161,340.00	-	-	326,340.00
2006	-	-	130,000.00	-	160,920.00	-	13,550.00	304,470.00
2007	-	-	160,000.00	-	172,920.00	750.00	10,056.00	343,726.00
2008	-	-	160,000.00	-	185,600.00	14,800.00	11,173.00	371,573.00
2009	-	-	-	-	175,550.00	23,250.00	11,830.00	210,630.00
2010	-	-	260,000.00	-	165,450.00	22,900.00	67,265.20	515,615.20
2011	-	-	-	-	235,550.00	23,450.00	61,074.88	320,074.88
Grand Total	\$ 1,699,000.00	\$ 25,000.00	\$ 760,000.00	\$ 20,000.00	\$ 1,687,530.00	\$ 85,150.00	\$ 174,949.08	\$ 4,451,629.08

(i) **Entities Associated with the Former General Secretary**

5.83. The Committee found no evidence that the entities associated with Blazer, that received payments recorded as reductions to the “commissions payable” and the “fees payable” accounts, provided any services to CONCACAF. As with the Sportvertising entities, the Committee was unable to obtain any meaningful information about the En Passant entities, suggesting that they simply existed to receive payments on behalf of Blazer.³²⁷ One of the only CONCACAF employees with any meaningful knowledge of the Sportvertising entities, the En Passant entities, or Multisport was the former CONCACAF Controller, who executed the payments to these entities.³²⁸ He described them as “shell companies” that acted as fronts for Blazer.³²⁹ Public filings indicate that En Passant, Ltd. was a New York corporation that was dissolved in 1998 and had offices located on the 17th floor of the Trump Tower in New York – the same location as CONCACAF’s headquarters at the time.³³⁰ No public information about En Passant, Inc. was found. Public filings indicate that Multisport is a Delaware corporation that, at one point, had offices located in an apartment used by Blazer on the 49th floor of the Trump Tower in New York.³³¹

5.84. The Committee identified email communications between Blazer and CONCACAF’s bank, BAC Florida Bank (“BAC Florida”), in which Blazer appears to have

³²⁷ Multisport appears to have had an existence beyond simply functioning as a nominee to receive payments for Blazer. See, e.g., Interactive Systems Worldwide Inc., Current Report (Form 8-K) (July 31, 2002), available at http://www.sec.gov/Archives/edgar/data/1025995/000112528202002541/b319738_8k.txt, 2002 (indicating that Multisport was a shareholder in Interactive Systems Worldwide Inc. as of 2002); Complaint, *Burillo v. Blazer*, 1:05-cv-03493-JGK (S.D.N.Y. Mar. 30, 2005), 2005 WL 1266214 (showing that Blazer and Multisport were involved in litigation in 2005 concerning the sale of a partial stake in Multisport).

³²⁸ Witness Interview Memorandum.

³²⁹ Witness Interview Memorandum.

³³⁰ DOC05931005.

³³¹ See Interactive Systems Worldwide Inc., Current Report (Form 8-K), Ex. 4.3 (July 31, 2002), available at http://www.sec.gov/Archives/edgar/data/1025995/000112528202002541/b319738_ex4-3.txt.

made false statements about one of the En Passant entities. In December 2011, a BAC Florida representative contacted CONCACAF about recent payments totaling \$300,000 made by CONCACAF to En Passant, Inc., explaining that the bank's compliance department was inquiring as to En Passant, Inc.'s "line of business and [the] purpose of [these] payments."³³² Blazer initially responded: "I am pleased to report that this is in payment of Commissions on Sponsorship and TV Sales of the Gold Cup. They have been of service to CONCACAF over many years."³³³ Minutes later, Blazer clarified that, "there were multiple checks issued to En Passant, Inc. to accrue to the total amount due to them at the time."³³⁴ When BAC Florida then asked whether En Passant, Inc. was a "broadcasting company," Blazer replied that it was a "[b]roadcasting and sponsorship sales company" that "[h]andles the sale of TV and sponsorship rights."³³⁵ As previously stated, the Committee found no evidence indicating that En Passant, Inc. ever provided such services to CONCACAF or anyone else.

(ii) Timing of Payments

5.85. The Committee identified instances in which Blazer structured large payments that were recorded as reductions to the "commissions payable" account by breaking such payments down into smaller amounts. For example, on October 16, 2008, CONCACAF issued to Multisport three separate checks for \$50,000 on the same day, instead of one check for \$150,000.³³⁶ Copies of the three canceled checks appear to show that each was deposited into the same Multisport account on October 17, 2008, the day after they were issued by CONCACAF.³³⁷ Similarly, on May 23, 2011, CONCACAF issued to Multisport two separate checks for \$500,000 on the same day, instead of one check for \$1 million.³³⁸

c. A Final Payment of \$1.4 Million

5.86. In August and September 2011, members of CONCACAF's Executive Committee began to investigate Blazer's compensation, and asked him to provide, among other things, copies of any compensation agreements he had entered into with Warner.³³⁹ In response, Blazer produced an unsigned draft of the 1990 Sportvertising Contract and a signed copy of the 1994 Sportvertising Contract.³⁴⁰ Before Blazer produced the contracts, an Executive Committee member asked Blazer what he expected to earn from CONCACAF in 2011.³⁴¹ Blazer stated that

³³² DOC00556120.

³³³ DOC02353725.

³³⁴ Id.

³³⁵ Id.

³³⁶ DOC05930964.

³³⁷ DOC05931250.

³³⁸ DOC05931302, DOC00933624.

³³⁹ DOC00523871, DOC00527643.

³⁴⁰ DOC00591790, DOC00592191.

³⁴¹ Witness Interview Memorandum.

he expected to earn about \$2 million.³⁴² The compensation amount he ultimately accrued for himself for 2011 turned out to be close to \$5 million.³⁴³ In October 2011, Blazer was informed that the Executive Committee was planning to terminate him as CONCACAF General Secretary.³⁴⁴ At about this time, Blazer was asked to refrain from transferring any additional compensation to himself until CONCACAF had an opportunity to address the basis and validity of his compensation.³⁴⁵

5.87. Nonetheless, on November 10, 2011, Blazer instructed BAC Florida to make a \$1.4 million payment to Sportvertising Cayman “in payment of Gold Cup commissions.”³⁴⁶ Blazer appears to have had some concern regarding whether that transfer would be completed; he replied “[y]ippee” to a confirmation email from Sportvertising Cayman’s bank.³⁴⁷ On November 16, 2011, Blazer advised a member of CONCACAF’s Executive Committee that, “[c]onsistent with the contract between CONCACAF and Sportvertising, Inc., as well as our usual and customary practices . . . compensation of \$1,400,000, representing currently due and payable amounts, has been paid to Sportvertising.”³⁴⁸ This was the first payment that Blazer had made to a Sportvertising entity since 1996.³⁴⁹ Blazer declined CONCACAF’s December 2011 demand to return the \$1.4 million pending resolution of issues regarding his compensation.³⁵⁰

4. The Former General Secretary’s Claims to Commissions Owed

5.88. Since leaving CONCACAF, Blazer has informed CONCACAF that he believes he is entitled to more than \$7 million in compensation as follows: (i) \$5.2 million in commissions for broadcast rights for 2013-2021 CONCACAF Gold Cups; (ii) \$700,000 in commissions for CONCACAF’s expected share of the ticket revenues from the 2013 Gold Cup; and (iii) \$1.25 million in commissions for the authorization of teams from the CONCACAF region to participate in the South American Football Confederation’s Copa Libertadores.³⁵¹

5. Disclosure of the Former General Secretary’s Compensation

5.89. The Integrity Committee conducted a thorough review of available evidence to determine what information was provided to the CONCACAF Executive Committee and the Congress regarding Blazer’s compensation. The Committee reviewed, among other things,

³⁴² Witness Interview Memorandum.

³⁴³ See *supra* paragraph 5.79.

³⁴⁴ DOC00593125.

³⁴⁵ DOC00555119.

³⁴⁶ DOC00593334.

³⁴⁷ DOC00593348.

³⁴⁸ DOC00593503.

³⁴⁹ DOC05931004.

³⁵⁰ DOC00555119.

³⁵¹ DOC05931267; Witness Interview Memorandum; see also Appendix B (letters from Blazer’s attorney responding to document requests).

meeting minutes, audio and video recordings of meetings, budgets, financial statements, and written reports. Counsel to the Committee also interviewed numerous relevant witnesses. The Committee found that the amounts paid to Blazer as compensation had been reported in CONCACAF's budgets and financial statements but that they had not been represented explicitly as compensation for the General Secretary. The Committee also identified three instances in which Blazer's compensation was specifically discussed in the Executive Committee or Congress:

- a 1990 Executive Committee meeting;
- a February 1996 Executive Committee meeting; and
- a 2002 Congress meeting.³⁵²

The Committee found almost no evidence indicating that Blazer's compensation was discussed in the Executive Committee during the more than 15 years he served as General Secretary after February 1996. The sole exception was that one former Executive Committee member stated his belief that the matter had been discussed at a later Executive Committee meeting, but the member could not recall the specifics of the discussion or at which meeting the discussion had occurred.³⁵³ The Committee found no evidence that Blazer's compensation was ever discussed at the Congress after 2002. Some of the current and former Executive Committee members who were interviewed reported that they were unaware that Blazer received compensation in the form of commissions.³⁵⁴ Others reported that they were aware that Blazer's compensation included a commissions component.³⁵⁵ Most reported, however, that they did not know how much overall compensation Blazer received from CONCACAF.³⁵⁶

a. Budgets and Financial Statements

5.90. As a general matter, compensation paid to Blazer was reported in the budgets and financial statements provided biennially, and later annually, to the Executive Committee and Congress in two expense line items: one described as "Commissions" or "Commissions & Fees" under a category of "Marketing" expenses and another described as "Administration Fees" under a category of "Administrative & General" expenses.³⁵⁷ No further explanation for these expenses was ever provided in the budgets or financial statements, including no indication that the expense items comprised compensation to the General Secretary.³⁵⁸ The budgets and

³⁵² DOC05930950, DOC01757928, DOC05930957.

³⁵³ Witness Interview Memorandum.

³⁵⁴ Witness Interview Memoranda.

³⁵⁵ Witness Interview Memoranda.

³⁵⁶ Witness Interview Memoranda.

³⁵⁷ DOC05930824, DOC05930832, DOC05930847, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927, DOC05931235, DOC05931236, DOC05931238, DOC00555004, DOC00555005, DOC00555006, DOC00555007.

³⁵⁸ DOC05930824, DOC05930832, DOC05930847, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927, DOC05931235, DOC05931236, DOC05931238, DOC00555004, DOC00555005, DOC00555006, DOC00555007.

financial statements typically included other expense items related to employee compensation, including line items for “Salaries and employee benefits” or “Salaries and staff benefits.”³⁵⁹

b. Discussions in the Executive Committee

5.91. Blazer’s compensation was discussed during Executive Committee meetings in 1990 and 1996. Evidence of these discussions appears in the minutes of an Executive Committee meeting held in New York on February 25, 1996.³⁶⁰ During the meeting, a member of the Executive Committee asked about the “commissions” line item reported in the most recent financial statements.³⁶¹ Blazer responded by “remind[ing the Executive Committee] of the agreement made at the initial meetings of this administration for 10% of the income obtained from marketing to be part of the compensation to be paid to the Secretary General.”³⁶² The Committee concludes from this statement that a commissions-based compensation structure for Blazer was approved in a meeting of the Executive Committee in 1990, although the Committee did not locate any minutes from such a meeting. Additionally, two former Executive Committee members confirmed to counsel to the Committee that Blazer’s compensation had been discussed, and a commission-based compensation structure approved, in an Executive Committee meeting in 1990.³⁶³

c. Disclosure in the Congress

5.92. Blazer’s compensation was discussed during a CONCACAF Congress meeting in Miami on April 20, 2002.³⁶⁴ The Committee identified both approved and draft minutes for this Congress.³⁶⁵ The draft minutes provide more detail with regard to the discussion of Blazer’s compensation.³⁶⁶

5.93. By way of background, the only significant challenge to Jack Warner’s position as CONCACAF President occurred in 2002.³⁶⁷ At that time, the Mexican Football Federation (the “FMF”) proposed a candidate for the office of President.³⁶⁸ In the lead up to the election, which was to occur at the 2002 Congress, the FMF sent a letter to Chuck Blazer requesting

³⁵⁹ DOC05930824, DOC05930832, DOC05930847, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927, DOC05931235, DOC05931236, DOC05931238, DOC00555004, DOC00555005, DOC00555006, DOC00555007.

³⁶⁰ DOC05930950.

³⁶¹ Id.

³⁶² Id.

³⁶³ Witness Interview Memoranda.

³⁶⁴ DOC05930957.

³⁶⁵ DOC05930957, DOC01757928.

³⁶⁶ DOC05930957, DOC01757928.

³⁶⁷ DOC05930957.

³⁶⁸ Id.

specific information related to the most recent draft financial statements.³⁶⁹ At the Congress, a member of the FMF delegation read to the Congress the contents of the letter, to which the FMF had not yet received a response.³⁷⁰ One of the seven requests for information sought clarification regarding \$1,195,000 in expenses allocated to the “Commissions” line item listed under “Marketing” expenses.³⁷¹ Blazer then read a detailed response in which he specifically addressed each of the FMF’s seven requests for clarification, including, for example, listing each of the more than 20 types of office equipment that were part of the “Computers & Programs” expense line item.³⁷² With regard to the “Commissions” line item, Blazer stated that the line item “corresponds to a decision of the Executive Committee taken in 1990 to provide compensation for the General Secretary through commissions on revenue and for marketing and sponsorship,” and that this and other expenditures were “consistent with budgets approved by this Congress.”³⁷³ Blazer did not disclose to the Congress the fact that his last contract with CONCACAF, through Sportvertising Cayman, had expired four years earlier.³⁷⁴

5.94. Blazer’s statements at the 2002 Congress were never provided to the Congress in writing because they were excluded from the version of the 2002 Congress minutes that was presented and approved at the 2004 Congress.³⁷⁵ The approved minutes from the 2002 Congress simply explain that a FMF delegation member had read the contents of a letter containing questions about the previously-circulated draft financial statements, because the FMF had not yet received a response to its inquiries, and that Blazer read a response to its letter.³⁷⁶

5.95. The Committee was unable to review the relevant portion of an audio recording that was made of the 2002 Congress because the audiocassette tape containing the statements of the FMF delegation member and Blazer was missing from CONCACAF’s archive of Executive Committee materials.³⁷⁷ The Committee did find a case for what appeared to have been the relevant audiocassette tape, but the actual tape was missing.³⁷⁸ Efforts to locate this missing audiocassette tape were unsuccessful.

5.96. Counsel to the Committee spoke to multiple witnesses who were present at the 2002 Congress. Although all of them remembered the challenge posed by the FMF candidate for

³⁶⁹ DOC05930957, DOC01757928, DOC00525882.

³⁷⁰ DOC05930957, DOC01757928.

³⁷¹ DOC01757928, DOC00525882.

³⁷² DOC01757928.

³⁷³ Id.

³⁷⁴ DOC05930957, DOC01757928.

³⁷⁵ DOC05930957, DOC01757928, DOC05931288.

³⁷⁶ DOC05930957, DOC05931288.

³⁷⁷ DOC05926235.

³⁷⁸ One case was labeled “Concacaf 04/20/02 salon 3” another was labeled “Concacaf 04/20/02 Lowes Hotel Miami Americana Salon 3 9am Tape #2.” The latter case was empty.

the CONCACAF Presidency, only one recalled that Blazer made a disclosure regarding his compensation.³⁷⁹

6. Recent Statements by Chuck Blazer

5.97. Blazer declined to provide documents or meet with counsel to the Committee in connection with this investigation.³⁸⁰ Nevertheless, when public allegations arose about whether his compensation had been properly disclosed, Blazer made certain statements in response to the media.³⁸¹ In sum and substance, Blazer's position was that the Sportvertising Contracts entitled him to the compensation he received.³⁸² Blazer also stated his belief that his compensation was adequately disclosed to the CONCACAF Executive Committee and Congress through the approved budgets and audited financial statements and that he specifically disclosed his compensation to the Congress in 2002.³⁸³ Finally, Blazer stated that his compensation was justified in light of his success in increasing CONCACAF's revenues.³⁸⁴ When later asked by the Executive Committee to provide copies of any compensation agreements he had entered into with Warner, Blazer produced an unsigned draft of the 1990 Sportvertising Contract and a signed copy of the 1994 Sportvertising Contract.³⁸⁵

5.98. The Committee did not identify any statements by Blazer addressing certain questions that the Committee would have asked him, including: (i) the basis for his position that the 1994 Sportvertising Contract remained in force despite the fact that the contract, by its own terms, expired on July 17, 1998; and (ii) the basis for his position that the "Commissions" and "Administration Fees" expense line items in the budgets and financial statements constituted proper disclosure and authorization of his compensation when no information was provided to indicate that the line items reflected the General Secretary's compensation.

7. Recent Statements by Jack Warner

5.99. Warner was reported to have made certain public statements regarding Chuck Blazer's compensation. In August 2011, Warner was reported to have issued an open letter stating:

I began to become concerned with Blazer several years ago when I became aware of the large sums he was earning from commissions. He refused to respond fully to my questions in regard to them. As

³⁷⁹ Witness Interview Memoranda.

³⁸⁰ See Appendix B.

³⁸¹ DOC00589966, DOC00590003, DOC00510248, DOC00590672, DOC00187001.

³⁸² DOC00589966, DOC00590003, DOC00510248.

³⁸³ DOC00589966 (With regard to his commissions, Blazer stated that "this issue was discussed in 2002 during the full Congress session held in Miami when Dr. Edgardo Codesal ran against Jack Warner and the Mexican Federation had requested disclosure of payments covered by the agreement. Full details were provided.").

³⁸⁴ DOC00589966, DOC00590003, DOC00510248.

³⁸⁵ DOC00527643, DOC00591790.

a result, since 2004 I have refused to sign any contract with his company Sportvertising, demanding that first he make a complete declaration of his earnings. Up to this point in time, neither he nor his company has any valid contract with CONCACAF.³⁸⁶

In June 2012, Warner was reported to have made a similar statement that clarified the termination date of Blazer's contract: "At the expiration of Blazer's contract in 1998 I advised him that I will not be renewing his contract until and unless it is reviewed and I followed this up with a formal letter I sent to him in 2002, a copy of which letter I still have in my possession."³⁸⁷ Among other requests, the Committee specifically asked Warner to produce a copy of this 2002 letter to Blazer, but Warner did not respond to this request.³⁸⁸

5.100. The statements by Warner identified by the Committee did not address certain questions that the Committee would have asked him, including: (i) why Warner did not seek to have Blazer removed from his position as General Secretary after Blazer's contract expired and he refused to provide an accounting of his compensation; (ii) why Warner apparently never raised the issue of Blazer's compensation before the Executive Committee or Congress; and (iii) why Blazer's compensation was not more clearly disclosed in the budgets and financial statements.

D. Use of CONCACAF Assets by the Former General Secretary

5.101. In 2011, public allegations arose regarding potential misuse of CONCACAF assets by the former General Secretary, including among other things, unauthorized purchases of apartments in Miami and the improper use of the proceeds from a sponsorship contract.³⁸⁹ Separately, the Executive Committee identified several similar issues related to Blazer's use of CONCACAF assets. As a result, the Executive Committee requested that the Integrity Committee review and determine the facts with regard to several such issues. Additionally, the Executive Committee requested that the Committee conduct a review of the application of CONCACAF funds over the last five years.

5.102. The Committee developed evidence on the potential misuse of CONCACAF assets by Chuck Blazer in connection with the following issues: (i) Trump Tower apartments; (ii) Miami apartments; (iii) Bahamas apartments; (iv) a Hummer vehicle; (v) an American Express account; (vi) an Umbro International sponsorship contract; and (vii) insurance. The Committee's factual findings on these issues are set forth below.

³⁸⁶ Richard Conway, Jack Warner statement on Chuck Blazer - 31st August 2011, RICHARD CONWAY'S POSTEROUS (Aug. 31, 2011), <http://richardmconway.posterous.com/jack-warner-statement-on-chuck-blazer-31st-au>.

³⁸⁷ Richard Conway, Fifa's Chuck Blazer 'Used Football Funds' for New York Apartment, BBC (June 8, 2012), <http://www.bbc.co.uk/sport/0/football/18367869> (Warner's memory regarding the Sportvertising Contracts continued to appear questionable as he reportedly told the BBC, "to the best of my knowledge, I signed only ONE contract for Mr Blazer and that was in 1994 – a four-year contract.").

³⁸⁸ See Appendix A.

³⁸⁹ See Richard Conway, Fifa's Chuck Blazer 'Used Football Funds' for New York Apartment, BBC (June 8, 2012), <http://www.bbc.co.uk/sport/0/football/18367869>.

1. Trump Tower Apartments

5.103. The evidence reviewed by the Committee establishes that, from 1996 to 2011, CONCACAF made recurring payments for rent on three separate apartments associated with Blazer within the Trump Tower in New York – the same building that housed the suite of offices that served as CONCACAF’s headquarters at the time.³⁹⁰ For two of these apartments – which appear to have functioned consecutively as Blazer’s residences³⁹¹ – CONCACAF incurred a portion of the rent as a business expense while the balance of the rent was covered by reductions to the “fees payable” account in the accounting system.³⁹² The Committee was not able to access complete accounting records for the years prior to 1996, so the possibility exists that this practice extended farther back in time. The Committee also found no evidence indicating that CONCACAF’s practice of expensing a portion of the rent for these two apartments was ever approved by, or disclosed to, the Executive Committee or the Congress.

5.104. More specifically, accounting records show that, from 1996 through 2000, CONCACAF made rent payments in connection with apartments 64/65C of the Trump Tower,³⁹³ and from 2001 through 2011, CONCACAF made rent payments in connection with a different apartment on the 49th floor of the Trump Tower.³⁹⁴ In recent years, the rent for Blazer’s 49th floor residence was approximately \$18,000 per month, of which \$6,000 was incurred as a business expense to CONCACAF while the \$12,000 balance was covered by reductions to the “fees payable” account.³⁹⁵ Although CONCACAF also made rent payments from 2004 to 2011 in connection with a separate, adjacent one-bedroom apartment on the 49th floor that Blazer used as an office, these payments were entirely covered by reductions to the “fees payable” account.³⁹⁶

5.105. The only explanations relayed to the Committee for CONCACAF’s practice of having expensed a portion of the rent for Blazer’s residence were provided by the former CONCACAF Controller, who stated that: (i) at an earlier point in time, Warner had stayed in the apartment when he was in New York for CONCACAF business;³⁹⁷ and (ii) Blazer used part of the apartment as a home office where he would sometimes work for CONCACAF.³⁹⁸ Another employee recalled that, in years past, Blazer used part of the residence as a home office but later obtained the adjacent one-bedroom apartment, which he then used as an office, because he

³⁹⁰ DOC05931272; Witness Interview Memoranda.

³⁹¹ Witness Interview Memorandum.

³⁹² DOC05931272.

³⁹³ DOC05931272, DOC05931007. Although unclear, it appears that these payments are associated with a 64th or 65th floor apartment in the Trump Tower. DOC05931008.

³⁹⁴ DOC05931272.

³⁹⁵ Id.

³⁹⁶ Id.

³⁹⁷ Witness Interview Memorandum.

³⁹⁸ Witness Interview Memorandum.

needed the space after his girlfriend and her children moved into his residence.³⁹⁹ The employee also recalled Blazer stating that the one-bedroom apartment would give Warner a place to stay when he was in New York for CONCACAF business.⁴⁰⁰ The Committee, however, found no evidence to indicate that, in recent years, Warner stayed in either of the 49th floor apartments in the Trump Tower. Multiple employees reported that Blazer often worked from the 49th floor apartments in the morning and then would go to the CONCACAF offices on the 17th floor in the afternoon.⁴⁰¹ A few employees stated their belief that Blazer often worked in the office he had set up on the 49th floor because health issues made it more comfortable for him.⁴⁰²

2. Miami Apartments

5.106. The evidence reviewed by the Integrity Committee establishes that Blazer used CMTV funds to purchase two apartments at the Mondrian South Beach Hotel Residences (the “Mondrian”) in Miami Beach, Florida in May 2010.⁴⁰³ The Mondrian is a waterfront luxury hotel and residence that features a high-end restaurant, a pool with cabanas, and a substantial lobby bar and lounge.⁴⁰⁴ The apartments – a one-bedroom apartment and an adjoining studio – were purchased by CMTV for a combined \$810,000.⁴⁰⁵ They were used primarily by Blazer and the CONCACAF Deputy General Secretary who was responsible for marketing and sales⁴⁰⁶ – notwithstanding the fact that this Deputy General Secretary maintained a separate apartment elsewhere in Miami.⁴⁰⁷ Blazer purchased the apartments in the name of CMTV and in his capacity as President of CMTV. The Committee found no evidence, however, indicating that Blazer received authorization from the CONCACAF Executive Committee or Congress, as required by the CONCACAF statutes, for the purchase of the Mondrian apartments.⁴⁰⁸ Further, the Committee was unable to identify a business rationale for the purchase of the apartments. In fact, although the Mondrian is located less than a mile from CMTV’s offices in Miami Beach, most of the CONCACAF employees interviewed by counsel to the Committee had no knowledge of CMTV’s ownership of these apartments.⁴⁰⁹

³⁹⁹ Witness Interview Memorandum.

⁴⁰⁰ Witness Interview Memorandum.

⁴⁰¹ Witness Interview Memoranda.

⁴⁰² Witness Interview Memoranda.

⁴⁰³ DOC00635639, DOC04823428.

⁴⁰⁴ See Mondrian South Beach Hotel Residences, Mondrian, <http://www.mondrianresidences.com> (last visited Apr. 17, 2013).

⁴⁰⁵ DOC04823428.

⁴⁰⁶ DOC02049230, DOC02050383, DOC00191691.

⁴⁰⁷ Witness Interview Memorandum.

⁴⁰⁸ See CONCACAF Statutes (2006), Art. 20(h).

⁴⁰⁹ Witness Interview Memoranda.

3. Bahamas Apartments

5.107. The evidence reviewed by the Integrity Committee shows that, in December 2007, Chuck Blazer caused CONCACAF to enter into purchase agreements for two apartments in the Reef Residences at the Atlantis Paradise Island resort in the Bahamas (the “Atlantis”) for a total purchase price of \$4,550,000.⁴¹⁰ The evidence further shows that Blazer then caused CONCACAF to make a payment drawn from an account designated for FIFA FAP funds to pay a \$910,000 deposit on the purchase of these apartments.⁴¹¹

5.108. Blazer initially contemplated purchasing four apartments at the Atlantis and executed four separate purchase agreements in December 2007 – two were executed by Blazer individually and two were executed on behalf of CONCACAF by Blazer as CONCACAF’s CEO.⁴¹² Shortly thereafter, Blazer paid a \$910,000 deposit on the apartments using CONCACAF funds.⁴¹³ By late 2008, however, Blazer had not closed on any of the apartments, and emails show that he began to have reservations about their potential to generate positive cash flows in a rental program at the Atlantis, and more generally about the financial prudence of the transactions.⁴¹⁴ Despite such misgivings, at the end of 2008, Blazer transferred the expense arising from CONCACAF’s initial \$910,000 deposit in CONCACAF’s accounting system to himself.⁴¹⁵ He did so by debiting \$910,000 from the “commissions payable” account in which he accrued amounts that he claimed were owed to him as commissions and by crediting \$910,000 to the security trust account, which held the deposit on CONCACAF’s books.⁴¹⁶

5.109. In January 2009, Blazer restructured the Atlantis purchase agreements so that CONCACAF would only purchase a single apartment.⁴¹⁷ During the restructuring, Blazer expressed interest in potential tax benefits that might apply in connection with CONCACAF’s purchase of the apartment. He explained to an Atlantis sales representative that CONCACAF “may apply for [this apartment] to be tax free since we are a ‘not for profit’ Bahamian Corporation and may get the government to waive it.”⁴¹⁸ In February 2009, CONCACAF paid a \$497,500 deposit for the purchase of the apartment.⁴¹⁹ Like the earlier \$910,000 deposit, the \$497,500 deposit was drawn from an account designated for FIFA FAP funds. Unlike the earlier

⁴¹⁰ DOC00633372 (the purchase price for a larger apartment was \$2,860,000; the purchase price for a smaller apartment was \$1,690,000).

⁴¹¹ Id.

⁴¹² DOC00633372.

⁴¹³ DOC05931072.

⁴¹⁴ DOC00624716.

⁴¹⁵ DOC05931072.

⁴¹⁶ Id.

⁴¹⁷ DOC00624915, DOC00624919.

⁴¹⁸ DOC00624722.

⁴¹⁹ DOC05931092.

\$910,000 deposit, the \$497,500 deposit was debited from the “commission payable” account in which Blazer accrued amounts that he claimed were owed to him as commissions.⁴²⁰

5.110. The closing for sale of the apartment was initially scheduled to occur in New York with Jack Warner acting as one of the signatories for CONCACAF.⁴²¹ On November 25, 2009, however, Blazer in his capacity as CONCACAF’s “CEO and General Secretary,” informed an Atlantis sales representative that a Bahamian holding company would replace CONCACAF as purchaser of the apartment.⁴²² Blazer also requested a transfer of CONCACAF’s deposit on the apartment to the holding company.⁴²³ Ultimately, the holding company – which was associated with Blazer individually and not CONCACAF – purchased the apartment.⁴²⁴

5.111. The Committee found no evidence that Blazer received authorization from the Congress, as required by the CONCACAF Statutes, to execute the purchase agreements for the Atlantis apartments or to use CONCACAF funds for either of the deposits paid for these apartments, including the \$910,000 deposit that was carried on CONCACAF’s books for a year.⁴²⁵ Although Blazer informed an Atlantis sales representative at one point that he had “a Board to answer to” in connection with the purchase of the apartments, the Committee also found no evidence indicating that the matter was ever presented to the Executive Committee.⁴²⁶

5.112. Although CONCACAF is a Bahamian non-profit corporation with a registered address in Nassau, Bahamas, the Committee found no evidence of a business rationale for CONCACAF to own apartments at the Atlantis. In 2012, Blazer explained that the original intention was for him and Warner to have neighboring units in the Atlantis. Blazer wrote:

At the end of any period, there were millions in earned and uncollected commissions and earnings on the books of CONCACAF accrued for my benefit and use. Even the deposits for the units in the Bahamas were supported by funds due to me. In the end, I was neither making a loan nor any other transaction but ultimately used funds earned by me. Following our strange experience with Jack in the Bahamas, during the FIFA Congress and the Obama White House visit, it became clear that continuing with side by side units were unwise since his stability was clearly questionable by then. Subsequently we scaled down the purchase

⁴²⁰ DOC05931072, DOC05931092.

⁴²¹ DOC00624642, DOC00624819.

⁴²² DOC00624702.

⁴²³ Id.

⁴²⁴ DOC03465448, DOC00382575.

⁴²⁵ CONCACAF Statutes (2006), Art. 20(h).

⁴²⁶ DOC00624716.

with the deposit then moved to the units I purchase [sic] and charged against my accrued earnings.⁴²⁷

4. Hummer

5.113. The evidence reviewed by the Integrity Committee shows that Blazer caused CONCACAF to purchase a 2004 Hummer H2 sport utility vehicle in June 2005 for \$48,554.25.⁴²⁸ CONCACAF's accounting records show that, from August 2005 through August 2008, CONCACAF paid between \$600 and \$660 per month to park the vehicle in a garage near the New York office.⁴²⁹ In August 2008, the vehicle was driven to CONCACAF's Miami office, where it is still located.⁴³⁰

5.114. Many of the CONCACAF employees interviewed perceived the Hummer to be Blazer's personal vehicle and did not know that it was owned by CONCACAF.⁴³¹ Indeed, Blazer and his girlfriend – who was not a CONCACAF employee⁴³² – were listed as the drivers of the Hummer on CONCACAF's automotive insurance policy.⁴³³ Some employees believed that Blazer selected the Hummer because he wanted a spacious vehicle that would be comfortable for him personally.⁴³⁴ Only one CONCACAF employee was able to recall a specific instance in which the Hummer was used for CONCACAF business while in New York.⁴³⁵ Some CONCACAF employees recalled that the Hummer was used in Miami to transport people and equipment for CONCACAF events and meetings.⁴³⁶ One employee stated that the Hummer was not well-suited for this purpose and did not believe that the vehicle's usage justified its cost.⁴³⁷ Shortly after Blazer's departure, CONCACAF began efforts to sell the vehicle but thus far has not been able to do so.

5. American Express Account

5.115. The evidence reviewed by the Integrity Committee shows that, from 2004 to 2011, Blazer and other senior CONCACAF employees used credit cards that were linked to Blazer's personal American Express account to pay more than \$26 million in CONCACAF

⁴²⁷ DOC00382575.

⁴²⁸ DOC05931313.

⁴²⁹ DOC05931271.

⁴³⁰ DOC01984734; Witness Interview Memorandum.

⁴³¹ Witness Interview Memoranda.

⁴³² DOC05931270.

⁴³³ DOC05931112.

⁴³⁴ Witness Interview Memoranda.

⁴³⁵ Witness Interview Memorandum.

⁴³⁶ Witness Interview Memoranda.

⁴³⁷ Witness Interview Memorandum.

expenses.⁴³⁸ One employee believed that the reason for this practice was that, at one point, Blazer had easier access to credit than did CONCACAF.⁴³⁹ Another believed that the practice resulted from Blazer’s desire to accumulate American Express membership rewards points, noting that Blazer encouraged the use of his credit cards for large CONCACAF expenses.⁴⁴⁰ At the same time, Blazer also used this account to pay for personal expenses, resulting in extensive comingling of personal charges and charges incurred on behalf of CONCACAF.⁴⁴¹

5.116. The evidence further shows that, although CONCACAF would make regular payments to American Express to cover the outstanding balances for this account,⁴⁴² it was not until the end of each year that Blazer would reconcile the statements for this account to determine which charges related to his personal expenses.⁴⁴³ Thereafter, Blazer would debit any personal expenses from the “commission payable” account in which he accrued amounts that he claimed were owed to him as commissions.⁴⁴⁴ From 2004 to 2011, CONCACAF’s payments to American Express in connection with Blazer’s account totaled over \$29.5 million, and the portion of these payments identified as Blazer’s personal expenses totaled over \$3 million.⁴⁴⁵ The following chart shows total annual amounts for 2004-11 paid by CONCACAF to American Express and the amounts that Blazer allocated to CONCACAF and himself respectively:

Year	CONCACAF's Payments to American Express	Amount Allocated as CONCACAF Expenses	Amount Allocated as Blazer's Personal Expenses
2004	\$ 1,370,639.10	\$ 1,255,226.43	\$ 115,412.67
2005	3,568,914.55	3,222,263.04	346,651.51
2006	1,545,106.31	1,230,541.31	314,565.00
2007	4,703,571.81	4,430,074.46	273,497.35
2008	2,926,341.26	2,586,314.04	340,027.22
2009	5,379,462.81	4,616,553.30	762,909.51
2010	3,454,550.95	3,102,565.82	351,985.13
2011	6,562,104.38	5,967,967.41	594,136.97
Grand Total	\$ 29,510,691.17	\$ 26,411,505.81	\$ 3,099,185.36

5.117. With regard to Blazer’s reconciliation of the annual statements from American Express, one CONCACAF employee recalled that Blazer would spend up to a month separating out his personal expenses from CONCACAF’s business expenses and entering the latter into QuickBooks in preparation for the audit of CONCACAF’s financial statements.⁴⁴⁶ Although

⁴³⁸ DOC05931260; Witness Interview Memoranda.

⁴³⁹ Witness Interview Memorandum.

⁴⁴⁰ Witness Interview Memorandum.

⁴⁴¹ DOC05931260.

⁴⁴² Id.

⁴⁴³ DOC05931261.

⁴⁴⁴ DOC05931261, DOC05931260; Witness Interview Memoranda.

⁴⁴⁵ DOC05931260.

⁴⁴⁶ Witness Interview Memorandum.

Blazer appears to have had no oversight in this process,⁴⁴⁷ the former CONCACAF Controller expressed his belief that Blazer made an honest attempt to accurately separate his personal expenses from those of CONCACAF and did not use this as opportunity to use CONCACAF funds to pay personal expenses.⁴⁴⁸ Blazer appears to have utilized large spreadsheets to review the thousands of expenses that had been charged to the American Express cards over the course of each year.⁴⁴⁹ A senior CONCACAF employee who had been issued one of these credit cards recalled that Blazer would send each of the cardholders an extract of their individual charges to assist in the reconciliation process.⁴⁵⁰ Senior CONCACAF employees provided mixed reports as to whether they had to provide backup documentation for the expenses they charged to this account.⁴⁵¹ Nonetheless, the Committee was unable to make an independent assessment of whether the annual reconciliation practice resulted in a misuse of CONCACAF funds because the absence of documentary support for many of the expenses charged to this account rendered the verification of this process impossible.

6. Umbro International Sponsorship Contract

5.118. The Integrity Committee found insufficient evidence to assess the allegation that certain funds might have been misappropriated from a sponsorship contract that CONCACAF had with Umbro International (“Umbro”) in the 1990s.⁴⁵² CONCACAF’s records show that its relationship with Umbro ended in 1996.⁴⁵³ Complete accounting records predating 1996 were not available to the Committee. The Committee found no documents that assisted in understanding the issue and none of the witnesses indicated an awareness of any potential misappropriation of CONCACAF funds with regard to the Umbro sponsorship arrangement.⁴⁵⁴

7. Insurance

5.119. The evidence reviewed by the Committee shows that CONCACAF provided multiple forms of insurance coverage for Blazer at CONCACAF’s expense. CONCACAF’s records show that its umbrella commercial property and general liability insurance policy covered both of Blazer’s apartments on the 49th floor of Trump Tower at CONCACAF’s expense.⁴⁵⁵ As noted previously, CONCACAF’s automotive insurance policy, which covered the Hummer, listed Blazer and his girlfriend as the drivers of the vehicle.⁴⁵⁶ Finally, Blazer’s

⁴⁴⁷ Witness Interview Memoranda.

⁴⁴⁸ Witness Interview Memorandum.

⁴⁴⁹ DOC05931248.

⁴⁵⁰ Witness Interview Memorandum.

⁴⁵¹ Witness Interview Memoranda.

⁴⁵² See Richard Conway, Fifa’s Chuck Blazer ‘Used Football Funds’ for New York Apartment, BBC (June 8, 2012), <http://www.bbc.co.uk/sport/0/football/18367869>.

⁴⁵³ DOC05930952.

⁴⁵⁴ Witness Interview Memoranda.

⁴⁵⁵ DOC05931024, DOC05931025.

⁴⁵⁶ DOC05931112.

girlfriend obtained health insurance coverage under CONCACAF's employee health insurance policy as of October 2008 even though she was not an employee.⁴⁵⁷

E. U.S. Tax Status of CONCACAF and CMTV

5.120. In December 2011, the Executive Committee of CONCACAF was informed that CONCACAF and CMTV had not at any time filed income tax returns in the United States, as required by law, and that CMTV probably had incurred U.S. federal income tax liability that had not been addressed with the Internal Revenue Service.⁴⁵⁸ Accordingly, the Executive Committee requested that the Integrity Committee determine the relevant facts related to these tax issues. The Committee examined the tax issues only from the perspective of U.S. federal income tax requirements, but recognizes the possibility that tax liabilities may exist in other jurisdictions, including at the state and local levels in the United States and perhaps in other relevant countries. The Committee's findings are set forth below.

1. CONCACAF U.S. Federal Income Tax Obligations

5.121. CONCACAF was incorporated in 1994 as a non-profit company under the laws of the Bahamas.⁴⁵⁹ Operating as a non-profit, CONCACAF qualified for tax-exempt status under U.S. law.⁴⁶⁰ U.S. tax laws require non-profit organizations generating income in the United States, like CONCACAF, to file income tax returns annually.⁴⁶¹ A non-profit organization that fails to file a federal income tax return for three consecutive years loses its tax-exempt status.⁴⁶² From 2007 to 2011, CONCACAF failed to file income tax returns.⁴⁶³ As a result, CONCACAF lost its tax exempt status in May 2010, and, absent retroactive reinstatement for which application has been made, will have incurred significant U.S. federal income tax liabilities, including interest and possibly civil, or even criminal, penalties.⁴⁶⁴

2. CMTV U.S. Federal Income Tax Liability

5.122. In 2003, CONCACAF created CONCACAF Marketing & TV, Inc. ("CMTV"), a wholly-owned subsidiary of CONCACAF, to support CONCACAF's marketing activities, including the marketing of its broadcast rights.⁴⁶⁵ CMTV is a taxable corporation created under

⁴⁵⁷ DOC05931122, DOC05931270.

⁴⁵⁸ DOC01640719.

⁴⁵⁹ DOC05930810.

⁴⁶⁰ I.R.C. § 501(c)(6).

⁴⁶¹ I.R.C. § 6033(a).

⁴⁶² I.R.C. § 6033(j).

⁴⁶³ DOC01640719; Witness Interview Memorandum.

⁴⁶⁴ I.R.C. ch. 1, 67, 68, 75.

⁴⁶⁵ DOC05930958, DOC05930961, DOC05930962.

the laws of Florida.⁴⁶⁶ As such, it is required to file a U.S. federal income tax return annually and to pay the applicable income tax.⁴⁶⁷ From its inception in 2003 to 2011, CMTV failed to file U.S. federal income tax returns or to pay applicable income taxes.⁴⁶⁸ As a result, CMTV incurred material U.S. federal income tax liabilities, including interest and possibly civil, or even criminal, penalties.⁴⁶⁹

3. CMTV and Tax Withholding Issues

5.123. CMTV was created, at least in part, to address tax withholding issues in Mexico.⁴⁷⁰ Under Mexican law, certain types of payments, including royalties associated with sporting event broadcast rights, are subject to a withholding tax collected from the payor of the royalty.⁴⁷¹ The withholding rate on broadcast royalties generally is 40% if paid to a resident of a country designated as a tax haven and 25% if paid to a resident of a country, such as the United States, that has not been designated as a tax haven.⁴⁷² However, under a bilateral tax treaty between the United States and Mexico, the 25% withholding rate is further reduced to 10% for qualified U.S. residents.⁴⁷³ Because of CONCACAF's membership structure and its place of incorporation, questions existed as to whether it would be treated as a qualified U.S. resident entitled to the benefits of the treaty.⁴⁷⁴ On the other hand, a taxable U.S. subsidiary like CMTV would be entitled to treaty benefits including the reduced withholding rates.⁴⁷⁵

5.124. In a communication in 2003, Chuck Blazer specifically stated that he wanted to create a U.S. taxable entity to help minimize tax withholdings under Mexican law. He wrote that, so long as the subsidiary was a "usa taxable corp., then 10% withheld in Mexico . . . if in a haven or other, upwards of 40% withheld."⁴⁷⁶ Blazer further explained his understanding that the tax issue applied to certain rights sales but that certain services would not be subject to

⁴⁶⁶ Division of Corporations, Fla. Dep't of State, <http://sunbiz.org/search.html> (follow "Detail by Document Number" and enter P03000068952) (last visited Apr. 17, 2013); see also Treas. Reg. § 301.7701-2(b).

⁴⁶⁷ I.R.C. §§ 11, 6012.

⁴⁶⁸ DOC01640719; Witness Interview Memorandum. Public records show, however, that since 2004 CMTV filed with the Florida Department of State its required annual reports. See Division of Corporations, Fla. Dep't of State, <http://sunbiz.org/search.html> (follow "Detail by Document Number" and enter P03000068952) (last visited Apr. 17, 2013).

⁴⁶⁹ I.R.C. ch. 1, 67, 68, 75.

⁴⁷⁰ DOC05931251.

⁴⁷¹ Nicasio Del Castillo, Manual F. Solano & Terri L. Grosselin, 972-4th T.M., *Business Operations in Mexico* (BNA, 2007 as supplemented) at A-70.

⁴⁷² Id.

⁴⁷³ Id. at A-104.

⁴⁷⁴ *Convention Between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, U.S.-Mex.*, Sept. 18, 1992, S. Treaty Doc. No. 103-7, arts. 4, 12, 17.

⁴⁷⁵ Id.

⁴⁷⁶ DOC05931245.

withholding.⁴⁷⁷ Blazer later informed Warner of his decision to create a taxable subsidiary in an email dated June 6, 2003.⁴⁷⁸ Blazer told Warner that CMTV would be a “fully owned subsidiary of CONCACAF, but a taxable entity, which will allow for favorable treatment under the tax treaty laws with Mexico.”⁴⁷⁹

4. No Income Apportionment Agreement

5.125. Because CMTV was marketing CONCACAF’s rights, it became necessary to apportion between CONCACAF and CMTV the income resulting from CMTV’s marketing activities. From a U.S. tax perspective, apportionment was critical because CONCACAF qualified for tax-exempt status and CMTV did not. Around the time that CMTV was formed in 2003, the idea of a written master services agreement between CONCACAF and CMTV was suggested to Blazer.⁴⁸⁰ Such an agreement would have the obvious benefit of documenting apportionment decisions to help address questions about apportionment if they were ever raised by tax authorities. The agreement was to be written in a manner so as to minimize CMTV’s tax liability.⁴⁸¹

5.126. On July 11, 2003, an advisor to CONCACAF wrote to Blazer that “we should discuss the master agreement between CONCACAF and the new co at some point because there are tax ramifications.”⁴⁸² Blazer responded, “OK.”⁴⁸³ Nevertheless, it appears that there were no further discussions on the topic at that time. The issue was raised again in October 2003, when Blazer was negotiating a new rights contract with one of CONCACAF’s most significant broadcast partners. The same CONCACAF advisor wrote, “Is there an agreement between CONCACAF and CONCACAF Marketing & TV setting forth the various rights M & TV has to exploit? We don’t want any unrelated business taxable income issues or other problems.”⁴⁸⁴ Notwithstanding these discussions, no apportionment agreement was entered into between CONCACAF and CMTV.⁴⁸⁵

5. Failure to Capture Tax Withholdings Benefits

5.127. Although CMTV was created, at least in part, to secure favorable tax withholding treatment in Mexico, it appears that CONCACAF failed to capture such withholding benefits. To secure the 10% withholding rate under the bilateral tax treaty between the United States and Mexico, the recipient of the royalty payments must provide the payor with proof of having filed

⁴⁷⁷ Id.

⁴⁷⁸ DOC05931251.

⁴⁷⁹ Id.

⁴⁸⁰ Witness Interview Memoranda.

⁴⁸¹ Witness Interview Memoranda.

⁴⁸² DOC05931247.

⁴⁸³ Id.

⁴⁸⁴ DOC05931259.

⁴⁸⁵ Taranto Interview Memorandum.

U.S. tax returns, typically by providing an IRS Form 6166⁴⁸⁶ – a form certifying that the entity claiming treaty benefits is a resident of the United States for federal tax purposes.⁴⁸⁷ This form can generally be obtained by entities that have filed U.S. federal income tax returns.⁴⁸⁸ Notwithstanding the purpose of its formation, CMTV, which had not filed U.S. federal income tax returns before 2013, failed to obtain an IRS Form 6166 and allowed Televisa, one of the purchasers of CONCACAF broadcast rights in Mexico, to withhold tax on its payments to CMTV at the otherwise applicable 25% rate, rather than the more favorable 10% treaty rate.⁴⁸⁹ A review of amounts due to CMTV and payments from Televisa shows that in 2010 and 2011 alone, CONCACAF (through CMTV) lost the benefit of approximately \$262,500 in additional income because it did not obtain an IRS Form 6166 and did not qualify for the reduced rate of tax withholding in Mexico.⁴⁹⁰

6. Preparation of a Tax Return for CMTV

5.128. Blazer recognized that there was a potential tax liability within CONCACAF. On multiple occasions, he participated in discussions about the need to file a U.S. federal income tax return.⁴⁹¹ On more than one occasion, the former CONCACAF Controller approached Blazer about filing a federal income tax return for CMTV.⁴⁹² On one of those occasions, the former CONCACAF Controller prepared a draft return to discuss with Blazer.⁴⁹³ On each occasion, Blazer directed him not to file a federal income tax return for CMTV and informed him that Blazer would take care of the matter.⁴⁹⁴

7. Executive Committee Meetings and Congresses

5.129. The existence of an unaddressed tax issue and potential tax liability for CMTV was reported to the CONCACAF Executive Committee and the Congress in the form of a tax reserve in the financial statements for the years 2004-05 through 2010. The notes to the financial statements explained that “[t]he Confederation is registered as a Non-Profit organization however it has been considered prudent to set aside a reserve for taxation which may arise on the

⁴⁸⁶ See generally Del Castillo, Solano & Grosselin, *supra* n.471, at A-99, B-2909.

⁴⁸⁷ See Form 6166 - Certification of U.S. Tax Residency, U.S. Internal Revenue Service (Nov. 5, 2012), [http://www.irs.gov/Individuals/International-Taxpayers/Form-6166---Certification-of-U.S.-Tax-Residency;Instructions for IRS Form 8802](http://www.irs.gov/Individuals/International-Taxpayers/Form-6166---Certification-of-U.S.-Tax-Residency;Instructions%20for%20IRS%20Form%208802), U.S. Internal Revenue Service (Oct. 2012), <http://www.irs.gov/instructions/i8802/ch01.html>.

⁴⁸⁸ See Form 6166 - Certification of U.S. Tax Residency, U.S. Internal Revenue Service (Nov. 5, 2012), [http://www.irs.gov/Individuals/International-Taxpayers/Form-6166---Certification-of-U.S.-Tax-Residency;Instructions for IRS Form 8802](http://www.irs.gov/Individuals/International-Taxpayers/Form-6166---Certification-of-U.S.-Tax-Residency;Instructions%20for%20IRS%20Form%208802), U.S. Internal Revenue Service (Oct. 2012), <http://www.irs.gov/instructions/i8802/ch01.html>.

⁴⁸⁹ DOC05931301.

⁴⁹⁰ Id.

⁴⁹¹ Witness Interview Memoranda.

⁴⁹² Witness Interview Memorandum.

⁴⁹³ Witness Interview Memorandum.

⁴⁹⁴ Witness Interview Memorandum.

profits of its Marketing Division.”⁴⁹⁵ A review of Executive Committee and Congress meeting materials, including minutes, written submissions, financial statements, budgets, and audio and video recordings, together with interviews of relevant witnesses, revealed no meaningful discussion of the tax issue in either the Executive Committee or the Congress.⁴⁹⁶

F. Financial Statements and Audit Process

5.130. During the 21 years that Jack Warner and Chuck Blazer led CONCACAF, they presented financial statements either biennially or annually to the Executive Committee and the Congress, and they represented that the financial statements had been prepared and presented in accordance with objective international accounting standards and were subject to external audits conducted in accordance with objective international auditing standards.⁴⁹⁷ The Integrity Committee was charged with reaching factual findings and conclusions regarding the completeness and accuracy of CONCACAF’s financial statements and audits for the years 2006 to 2011. Because the financial statements build on one another over time, such findings and conclusions require an understanding of how CONCACAF handled financial reporting and auditing in years prior to 2006. The Committee’s factual findings are set forth below.

1. Frequency of Financial Disclosures

5.131. From 1992 until 2006, CONCACAF’s financial statements were issued based on a two-year cycle.⁴⁹⁸ This was done for two reasons: (i) the financial statements were prepared for the Congress, which until 2006, met once every two years;⁴⁹⁹ and (ii) the Gold Cup – CONCACAF’s premier event and primary revenue generator – occurred once every two years, resulting in financial performance that was perhaps more useful to view in two-year increments.⁵⁰⁰ In 2006, the Congress began meeting annually,⁵⁰¹ and for 2006, CONCACAF deviated from the practice of issuing financial statements based on a two-year cycle and issued annual financial statements.⁵⁰² CONCACAF returned to the practice of reporting based on a two-year cycle for 2006-07,⁵⁰³ but then CONCACAF issued annual financial statements for 2008 and continued that practice for the ensuing years.⁵⁰⁴

⁴⁹⁵ DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁴⁹⁶ Witness Interview Memoranda.

⁴⁹⁷ DOC05930824, DOC05930832, DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁴⁹⁸ DOC05930824, DOC05930832, DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897.

⁴⁹⁹ DOC05930832, DOC05930885.

⁵⁰⁰ DOC05930832, DOC05930885.

⁵⁰¹ DOC05930899.

⁵⁰² DOC05930903.

⁵⁰³ DOC05930914.

⁵⁰⁴ DOC05930918, DOC05930922.

5.132. Because the Executive Committee typically met at least twice per year, interim financial statements were often provided at those meetings at which formal financial statements were not provided.⁵⁰⁵ At times, compiling the financial statements was a last minute activity,⁵⁰⁶ and for some meetings, financial statements were simply not available.⁵⁰⁷ On at least one occasion, a member of the Executive Committee complained “that the financial statements were always late” and asked Blazer “to explain what was the problem for the delay.”⁵⁰⁸ Blazer blamed a busy schedule for the delay.⁵⁰⁹

2. Finance and Accounting Function

5.133. CONCACAF’s financial statements were prepared, in part, from records and information that were kept by the finance and accounting department of the organization. The department was based in CONCACAF’s New York office and handled the financial and accounting matters arising from the activities of employees based in the New York and Miami offices.⁵¹⁰ The department was not formally organized, and in recent years consisted of three people.⁵¹¹ Chuck Blazer himself acted as the Chief Financial Officer and Treasurer of CONCACAF.⁵¹² He was personally involved in virtually all decision making regarding CONCACAF financial matters, including the negotiation of broadcast and sponsorship contracts, the disposition of CONCACAF assets, and annual reporting of CONCACAF’s financial position, results of operations, and statement of cash flows.⁵¹³ As CONCACAF grew, Blazer continued to involve himself directly in even the most minor of CONCACAF’s financial affairs, including personally reviewing and approving business expenses for various CONCACAF employees.⁵¹⁴ Blazer was knowledgeable about accounting matters and working with accounting software.⁵¹⁵

5.134. In 1995, Blazer hired an employee to serve as Controller of CONCACAF.⁵¹⁶ The Controller had extensive experience managing the books of other companies, but had no formal training as an accountant.⁵¹⁷ He remained employed by CONCACAF after Blazer’s departure,

⁵⁰⁵ DOC05930838, DOC05930842, DOC05930857, DOC05930865, DOC05930873; Witness Interview Memorandum.

⁵⁰⁶ DOC05930857; Witness Interview Memorandum.

⁵⁰⁷ DOC01692592.

⁵⁰⁸ DOC05930845.

⁵⁰⁹ Id.

⁵¹⁰ Witness Interview Memoranda.

⁵¹¹ Witness Interview Memoranda.

⁵¹² Witness Interview Memoranda.

⁵¹³ Witness Interview Memoranda; DOC00635634, DOC05931050.

⁵¹⁴ Witness Interview Memoranda.

⁵¹⁵ Witness Interview Memoranda. One employee stated that Blazer was a CPA, but the Integrity Committee was unable to confirm this from any other source. Witness Interview Memorandum.

⁵¹⁶ Witness Interview Memorandum.

⁵¹⁷ Witness Interview Memorandum.

but has since retired.⁵¹⁸ During the later years of his employment, the Controller was plagued by persistent health issues, including issues that at times prevented him from properly performing his duties during the workday.⁵¹⁹ In 2007, CONCACAF hired a second employee to work in the finance and accounting department.⁵²⁰ She had some experience as a bookkeeper and some familiarity working with accounting software, but had no formal training as an accountant.⁵²¹

5.135. At least since 1995, CONCACAF accounted for financial transactions using QuickBooks software.⁵²² CONCACAF upgraded to a new version of QuickBooks at the beginning of 2004.⁵²³ As a general matter, the finance and accounting department was clearly understaffed during recent years given the growth and increasing complexity of CONCACAF's business.⁵²⁴ There were no written accounting procedures and few, if any, formal accounting controls within CONCACAF to ensure the proper collection of revenues and disposition of CONCACAF assets and to ensure the accuracy and completeness of CONCACAF's accounting records.⁵²⁵ Bank reconciliations were often late, payroll checks had errors, support was not required for business expenses, and reimbursement requests were submitted without a breakdown of expenses.⁵²⁶ CONCACAF employees frequently accessed the accounting system by using logins of other users and passwords were shared.⁵²⁷ There was no segregation of accounting responsibilities. Blazer had administrative access rights to the accounting system, and at the same time, he frequently made entries in the system either by using his personal login or by using the administrator login.⁵²⁸ Based on the information gathered, the Committee believes that serious deficiencies in the accounting function existed for many years at CONCACAF. These deficiencies derived from a lack of appropriate internal accounting controls, insufficient resources, and a lack of employees with sufficient training and experience.

5.136. Accounting for CONCACAF operations in Trinidad and Tobago, including the President's Office and the COE, was controlled personally by Jack Warner.⁵²⁹ Warner had a small accounting staff in the President's Office that reportedly handled a variety of matters simultaneously, including accounting for the financial affairs of CONCACAF and the CFU, as well as those of Warner's personal businesses and his political activities.⁵³⁰ Warner was assisted

⁵¹⁸ Witness Interview Memorandum.

⁵¹⁹ Witness Interview Memoranda.

⁵²⁰ Witness Interview Memorandum.

⁵²¹ Witness Interview Memorandum.

⁵²² Witness Interview Memoranda.

⁵²³ Witness Interview Memoranda.

⁵²⁴ Witness Interview Memorandum.

⁵²⁵ Witness Interview Memoranda; DOC05931173.

⁵²⁶ Witness Interview Memoranda.

⁵²⁷ Witness Interview Memoranda; DOC05931173.

⁵²⁸ Witness Interview Memoranda.

⁵²⁹ DOC00382575, DOC01718090; Witness Interview Memorandum.

⁵³⁰ Witness Interview Memorandum.

by Kenny Rampersad who operated an accounting and auditing firm, Kenny Rampersad & Co., Ltd., that was separately located in Port of Spain.⁵³¹ As discussed in more detail below, Rampersad was the auditor for CONCACAF and the CFU, and was also accountant for CONCACAF and the COE and was involved in Warner's personal businesses.⁵³² A separate accounting staff operated at the COE and kept records of the financial activities at that location.⁵³³ The Committee was unable to review accounting records from the operations in Trinidad and Tobago because, as previously discussed, Warner and Rampersad did not assist the Committee in its investigation and because, according to Warner, he destroyed CONCACAF's records after he stepped down as President.⁵³⁴

3. Preparing the Financial Statements

5.137. Preparation of the financial statements followed a routine.⁵³⁵ The former CONCACAF Controller and Blazer would prepare relevant accounting information for the New York and Miami operations, oftentimes working late hours for a full week preparing the necessary information.⁵³⁶ Kenny Rampersad would travel to New York with certain financial information for the CONCACAF operations in Trinidad and Tobago, usually a total expense number, and perhaps some other figures such as depreciation of fixed assets, without detailed income or expense information.⁵³⁷ Blazer and Rampersad would combine all of the numbers into an electronic spreadsheet that was used as a worksheet to finalize the reported figures.⁵³⁸ Metadata indicates that Blazer was the author of the consolidating spreadsheets that were identified by the Committee.⁵³⁹ Blazer and Rampersad would then work together to finalize the numbers reported in the financial statements, often in consultation with the CONCACAF Controller.⁵⁴⁰ The numbers were often incomplete, or at first pass did not reconcile, and could take up to a week or more for Blazer and Rampersad to finalize.⁵⁴¹ Emails confirm that Blazer and Rampersad were working together on the financial statements.⁵⁴² The CONCACAF Controller would draft a template for the financial statements and they would all agree on the

⁵³¹ DOC00924536; Witness Interview Memoranda.

⁵³² DOC05930822, DOC04825020, DOC04825028, DOC05930890; Witness Interview Memoranda.

⁵³³ Witness Interview Memoranda.

⁵³⁴ See supra paragraphs 4.8 (Warner), 4.16 (Rampersad).

⁵³⁵ Witness Interview Memoranda.

⁵³⁶ Witness Interview Memoranda.

⁵³⁷ DOC00382575.

⁵³⁸ DOC05930893, DOC05930894, DOC05930895, DOC05930896, DOC04704570; Witness Interview Memorandum.

⁵³⁹ DOC00876538.

⁵⁴⁰ Witness Interview Memorandum.

⁵⁴¹ Witness Interview Memorandum.

⁵⁴² DOC04698799, DOC04704570, DOC04704811, DOC00922431, DOC03660299, DOC03660335, DOC03519281, DOC03660372, DOC03660375, DOC01692592, DOC04732359, DOC05930892; Witness Interview Memorandum.

final numbers.⁵⁴³ Nevertheless, Rampersad had control over anything related to operations in Trinidad and Tobago.⁵⁴⁴ The final financial statements ultimately would be approved by Blazer.⁵⁴⁵

4. Disclosures in the Financial Statements

5.138. The financial statements on their face do not appear to be carefully prepared and contain some obvious mistakes. For example, one audit letter mistakenly references accounting standards instead of audit standards.⁵⁴⁶ Notes exist that are not properly referenced in the financials or contain text that is in the wrong place.⁵⁴⁷ One set of financial statements is incorrectly dated.⁵⁴⁸ In form, the financial statements changed very little over time. The following subsections describe how certain matters were reported in the financial statements.

a. The Centre of Excellence

5.139. From the inception of the Centre of Excellence in 1996, the financial statements consistently reflected CONCACAF's investment in the COE as an asset of CONCACAF. In the 1996-97 and 1998-99 financial statements, CONCACAF's interest in the COE was specifically described as "construction in progress" on the balance sheet and assigned book values in the millions of dollars.⁵⁴⁹ Starting with the 2000-01 financial statements, after the COE's official opening, CONCACAF's interest in the COE was described as "freehold property,"⁵⁵⁰ a significant misrepresentation by management that was repeatedly validated by the auditor. CONCACAF also applied an annual rate of depreciation of 2% to the COE to achieve a net book value for the asset.⁵⁵¹ The following chart reflects the manner in which CONCACAF's investment in the COE was described and valued in CONCACAF's financial statements:

⁵⁴³ Witness Interview Memorandum.

⁵⁴⁴ Witness Interview Memorandum.

⁵⁴⁵ Witness Interview Memorandum.

⁵⁴⁶ DOC05930914 (the audit letter accompanying the 2006-07 financials state that they were "audit[ed] in accordance with International Standards of Accounting" – audits are not properly conducted by accounting standards).

⁵⁴⁷ DOC05930832, DOC05930876.

⁵⁴⁸ DOC05930848.

⁵⁴⁹ DOC05930848, DOC05930876.

⁵⁵⁰ DOC05930885.

⁵⁵¹ DOC05930885, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927, DOC04742156, DOC03660372.

Centre of Excellence As Reflected
on the CONCACAF Balance Sheets⁵⁵²

Years	Classification/Description	Cost	Net Book Value
1996-97	Fixed Asset, Construction in Progress	\$7.6 million	\$7.6 million
1998-99	Fixed Asset, Construction in Progress	\$17.3 million	\$17.3 million
2000-01	Fixed Asset, Freehold Property	\$18.4 million	\$17.7 million
2002-03	Fixed Asset, Freehold Property	\$18.8 million	\$17.5 million
2004-05	Fixed Asset, Freehold Property	\$20.6 million	\$17.7 million
2006	Fixed Asset, Freehold Property	\$20.6 million	\$17.3 million
2006-07	Fixed Asset, Freehold Property	\$20.6 million	\$16.9 million
2008	Fixed Asset, Freehold Property	\$20.6 million	\$16.5 million
2009	Fixed Asset, Freehold Property	\$20.6 million	\$16.1 million
2010	Fixed Asset, Freehold Property	\$21.3 million	\$16.4 million

b. Operations at the Regional Offices and the COE

5.140. Over time, income and expenses from operations at the President’s Office in Trinidad and Tobago, the CONCACAF office in Guatemala, and the COE were treated inconsistently within the financial statements. In the financial statements for 1992-93 through 1996-97, expenses for the President’s Office and the Guatemala office were consolidated in the financial statements for all of CONCACAF.⁵⁵³ Operations for the COE first appeared in the 1996-97 financial statements. At the time, COE operations were accounted for as an extraordinary expense item because the COE operations had not been included in the 1996-97 budget and because “[t]he income generated has been less than the expenses incurred.”⁵⁵⁴ COE operations were recorded as a single expense, with no itemized income or expenses reported.⁵⁵⁵ In the interim financial statements in 1998, operations at the COE, like operations at the President’s Office in Trinidad and Tobago and the Guatemala office, were not consolidated with the financial information reported for the operations based in the United States, and instead were accounted for separately.⁵⁵⁶ A separate report on the COE, including COE-specific financial statements, was presented to the Executive Committee in 1998 providing a breakout of financial activity at the COE, including separate revenue and expense items for the swimming pool, the stadium, the residence hall, and the indoor facility at the COE.⁵⁵⁷ The balance sheet for the COE in the 1998 report listed total assets of almost \$10 million, including \$1,217,347 in cash on hand.⁵⁵⁸ After 1998, itemized accounting for the COE completely disappeared from the

⁵⁵² DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁵³ DOC05930865.

⁵⁵⁴ DOC05930848.

⁵⁵⁵ Id.

⁵⁵⁶ DOC05930865.

⁵⁵⁷ DOC05930858.

⁵⁵⁸ Id.

CONCACAF financial statements.⁵⁵⁹ Although separate reports on operations at the COE were provided to the Executive Committee in some years, the reports were limited to describing programs and activities at the COE without addressing financial matters.⁵⁶⁰ The Committee found no evidence that any report similar to the 1998 report was presented to the Executive Committee at any time other than in 1998, and the Committee found no evidence of accounting for the disposal of any of the COE assets listed on the balance sheet in the 1998 report, including the cash on hand.

5.141. In the 1998-99 financial statements, income and expenses from operations at the COE, and from operations at the President's Office in Trinidad and Tobago and the CONCACAF office in Guatemala, were consolidated with reporting for CONCACAF's other operations and were embedded within the income and expense items for other CONCACAF operations.⁵⁶¹ This rendered it impossible to separate financial information for the COE or the other offices. In May 1999, interim financial statements presented to the Executive Committee accounted for the operations at the COE, the President's Office, and the Guatemala office as single overall expense items with no itemized accounting for income and expenses.⁵⁶² Later that same year, at an Executive Committee meeting in December, interim statements were presented that again had income and expense items for the COE embedded in the items reported for CONCACAF's overall operations.⁵⁶³ In the 2000-01 financial statements, operations at the COE, the President's Office, and the Guatemala office were again carried as single expense items with no itemized accounting for income or expenses associated with those operations.⁵⁶⁴ In the financial statements for 2002-03 through 2010, operations at the COE were reported as a single expense item, separate from operations at the President's office and the Guatemala office, which together were collapsed into a single expense item described as "Regional Offices."⁵⁶⁵ Itemized accounting of income or expenses associated with those offices was not provided in any of these years.⁵⁶⁶ The result of such incomplete accounting was to obscure the financial activities at these CONCACAF operations and to deprive anyone reviewing the financial statements – including the Executive Committee, the Congress, and the Integrity Committee – of any visibility into CONCACAF's financial activities outside of the United States.

⁵⁵⁹ DOC05930876, DOC05930885, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁶⁰ DOC05930866, DOC05930874, DOC05930879, DOC01758255, DOC05930883, DOC05930876, DOC01758249.

⁵⁶¹ DOC05930876, DOC01758249.

⁵⁶² DOC05930865.

⁵⁶³ DOC05930873.

⁵⁶⁴ DOC05930885.

⁵⁶⁵ DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁶⁶ DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

c. Mortgage Loans and the COE

5.142. As previously explained, the 1998-99 and 2000-01 financial statements included disclosures of mortgage loans related to the construction of the Centre of Excellence.⁵⁶⁷ Specifically, the 1998-99 financial statements reported in the notes that a \$10.5 million long-term debt line item included a \$3 million loan from First Citizens.⁵⁶⁸ The note states that this particular loan “was obtained for the construction of the Dr. Joao Havelange Centre of Excellence. It is secured by a partial mortgage over the facilities of the Dr. Joao Havelange Centre of Excellence and bears interest at the rate of 10% per annum.”⁵⁶⁹

5.143. The 2000-01 financial statements reported in the notes that an \$8.1 million long-term debt line item included a loan from First Citizens.⁵⁷⁰ Although the note included the same loan description as the note within the 1998-99 financial statements, it omitted mention of the amount of the loan, or any balance due.⁵⁷¹ The disclosure was insufficient to provide an understanding of the components of this debt and balance due to First Citizens. Separate accounting records show that the balance due on the loan at the end of the 2001 was \$5.6 million.⁵⁷²

5.144. The subsequent 2002-03 financial statements reflect that CONCACAF’s long-term debt had been reduced to zero. They contained no explanation regarding how the long-term debt, including the loan to First Citizens, was repaid.⁵⁷³

5.145. As already explained, Warner also caused CONCACAF to be a party to a 2007 mortgage loan. This mortgage loan is never disclosed in CONCACAF’s financial statements. Although records show that by September 2007 as much as \$1,640,000 had been disbursed by First Citizens in connection with this mortgage loan,⁵⁷⁴ the cost basis for the COE on the 2007, 2008, and 2009 financial statements remained the same for all three years, suggesting that additional funds had not been expended on the COE during that period.⁵⁷⁵

d. CMTV

5.146. CMTV was formed as a wholly-owned subsidiary of CONCACAF in 2003. The financial activity of CMTV was fully consolidated in the overall financial statements for CONCACAF. Notwithstanding CMTV’s status as a separate corporation, it was referred to in

⁵⁶⁷ See *supra* paragraph 5.38.

⁵⁶⁸ DOC05930876.

⁵⁶⁹ *Id.*

⁵⁷⁰ DOC05930885.

⁵⁷¹ *Id.*

⁵⁷² DOC05931264.

⁵⁷³ DOC05930888.

⁵⁷⁴ DOC05930944.

⁵⁷⁵ DOC05930914, DOC05930918, DOC05930922.

the financial statements as the “Marketing Division” of CONCACAF.⁵⁷⁶ Income generated by CMTV was not separately reported in the financial statements, and although in each year CONCACAF included a category of “Marketing” expenses in the schedule of itemized expenses, it is not clear whether these expense items accounted for all of CMTV’s expenses and whether they included expenses from other CONCACAF operations.

e. Compensation Paid to the Former General Secretary

5.147. CONCACAF’s various financial statements from 1992-93 to 2010 each contained expense line items that reflected accrued compensation to be paid to Chuck Blazer, although such line items were never specifically designated as such. In the financial statements for 1992-93, Blazer’s accrued compensation was reported under separate line items described as “Commissions” and “Administration Fees” under a category for “Administrative and General” expenses.⁵⁷⁷ In the financial statements from 1994-95 through 2004-05, Blazer’s accrued compensation was reported again in separate line items for “Commissions” and “Administration fees” but the line items were segregated under separate expense categories for “Marketing” and “Administrative & General” expenses, respectively.⁵⁷⁸ In the financial statements covering 2006 to 2010, Blazer’s accrued compensation was reported in separate line items for “Commissions & Fees” and “Administration fees,” but the line items were segregated under separate expense categories for “Marketing, Sales and Public Relations” and “Administrative & General” expenses, respectively.⁵⁷⁹ None of these financial statements contained any information specifically designating these expense line items as related party transactions.⁵⁸⁰ Each of these financial statements also reported employee compensation as separate expense line items labeled as “Salaries and employee benefits” or “Salaries and staff benefits,” often split up as multiple line items under categories for “Administrative & General,” “Marketing,” and “Member Services” expenses.⁵⁸¹ Employee compensation expenses reported in such line items grew from a total of approximately \$137,000 in 1991⁵⁸² to a total of approximately \$4 million in 2010.⁵⁸³

f. Potential Tax Liabilities

5.148. The existence of a potential and growing tax liability was reported in the CONCACAF financial statements beginning with the 2004-05 financial statements.⁵⁸⁴ A

⁵⁷⁶ DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁷⁷ DOC05930824.

⁵⁷⁸ DOC05930832, DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897.

⁵⁷⁹ DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁸⁰ DOC05930824, DOC05930832, DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁸¹ DOC05930832, DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930914, DOC05930918, DOC05930922, DOC05930927, DOC05930824.

⁵⁸² DOC05930824.

⁵⁸³ DOC05930927.

⁵⁸⁴ DOC05930897.

“Reserve for Taxation” first appeared on the balance sheet in CONCACAF’s 2004-05 financial statements.⁵⁸⁵ A note addressed the tax reserve, explaining “The Confederation is registered as a Non-Profit organization however it has been considered prudent to set aside a reserve for taxation which may arise on the profits of its Marketing Division.”⁵⁸⁶ The amount of the tax reserve at the end of 2005 was calculated to be \$703,908.⁵⁸⁷ Thereafter, subsequent financial statements reflected a steadily increasing tax reserve as follows:⁵⁸⁸

Year	Increase in Tax Reserve	Total Tax Reserve
2005		\$703,908
2006	\$594,166	\$1,298,074
2007	\$344,373	\$1,642,447
2008	\$49,336	\$1,691,783
2009	\$528,022	\$2,219,805
2010	\$271,429	\$2,491,234

g. Related Party Transactions

5.149. CONCACAF’s financial statements from 1992-93 through 2010 provided no indication that any of the financial activity that was reported within the financial statements comprised transactions with a related party.

5. Method of Accounting

5.150. The financial statements were presented using a hybrid of cash-basis and accrual-basis accounting.⁵⁸⁹ CONCACAF operations based in the New York headquarters and CMTV operations based in the Miami were accounted for on an accrual basis.⁵⁹⁰ Operations in Trinidad and Tobago, including the COE and the President’s Office, and operations in the Guatemala office were accounted for on a cash basis as a single expense item with no itemized income or expenses.⁵⁹¹

⁵⁸⁵ Id.

⁵⁸⁶ Id. This note was carried in each of the subsequent financial statements through the 2010 Financial Statements. DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁸⁷ DOC05930897. In an accompanying budget for the two-year period ending December 31, 2007, the “Reserve for Taxation” was expected to increase by only \$100,000 signifying a slow-down in the accumulation of tax liability. DOC00555006.

⁵⁸⁸ DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁸⁹ DOC04732359; Witness Interview Memorandum.

⁵⁹⁰ DOC04732359.

⁵⁹¹ Id.

6. Accounting and Auditing Standards

5.151. The CONCACAF financial statements, from at least 1992-93 through 2010, were presented as audited financial statements.⁵⁹² Included in each set of financial statements, except for the financial statements for 1994-95, was an audit opinion letter from Kenny Rampersad & Co. providing an unqualified opinion as to the quality of the financial reporting in the financial statements.⁵⁹³ The 1994-95 financial statements simply included a cover memorandum from Blazer, indicating, among other things, that the financial statements were “Audited Financial Statements.”⁵⁹⁴ The audit opinion letters stated that the 1996-97 through 2010 financial statements were prepared and audited pursuant to objective professional standards.⁵⁹⁵ The following chart presents the accounting and auditing standards referenced by Kenny Rampersad & Co. in the audit opinion letters:

<u>Year(s)</u>	<u>Accounting Standards</u>	<u>Auditing Standards</u>
1992-93	“Approved Accounting Standards”	“Approved Auditing Standards”
1994-95	Not stated	Not stated
1996-97	“approved auditing practices”	“approved auditing practices”
1998-99	“international accounting standards”	“international standards on auditing”
2000-01	“international accounting standards”	“international standards on auditing”
2002-03	“international accounting standards”	“international standards on auditing”
2004-05	“International Financial Reporting Standards”	“international standards on auditing”
2006	“International Financial Reporting Standards”	“international standards on auditing”
2006-07	“International Financial Reporting Standards”	“International Standards of Accounting”
2008	“International Financial Reporting Standards”	“International Standards of Auditing”
2009	“International Financial Reporting Standards”	“International Standards of Auditing”
2010	“International Financial Reporting Standards”	“International Standards of Auditing”

5.152. “International Accounting Standards” (“IAS”) is a set of standards providing guidance on how particular types of transactions and other events should be reported in financial statements. IAS was issued prior to 2001 by the International Accounting Standards Committee (the “IASC”). In 2001, the IASC was reorganized and became the International Accounting Standards Board (the “IASB”) and began issuing “International Financial Reporting Standards” (“IFRS”). Nevertheless, at its formation, the IASB stated that it would adopt IAS, and continue to designate it as such, but that any new standards would be published as IFRS. IAS requires, among other things, that “an entity’s financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been

⁵⁹² DOC05930824, DOC05930832, DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

⁵⁹³ DOC05930824, DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927, DOC05930832.

⁵⁹⁴ DOC05930832.

⁵⁹⁵ DOC05930848, DOC05930876, DOC05930885, DOC05930888, DOC05930897, DOC05930903, DOC05930914, DOC05930918, DOC05930922, DOC05930927.

affected by the existence of related parties and by transactions . . . with such parties.”⁵⁹⁶ IAS further requires that “if an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions . . . necessary for users to understand the potential effect of the relationship on the financial statements.”⁵⁹⁷ IAS defines a “related party” to include “a member of the key management personnel of the reporting entity or of a parent of the reporting entity.”⁵⁹⁸

5.153. “International Standards on Auditing” (“ISA”) is a set of professional standards for the performance of a financial audit, issued by the International Auditing and Assurance Standards Board (the “IAASB”) of the International Federation of Accountants (the “IFAC”). ISA is subject to the Code of Ethics issued by the IFAC’s International Ethics Standards Board for Accountants.⁵⁹⁹ The Code of Ethics and ISA unequivocally state that independence is an ethical requirement for an auditor.⁶⁰⁰ ISA also requires an auditor, among other things, to exercise professional judgment and to use professional skepticism in planning and performing an audit,⁶⁰¹ and it requires an auditor to base an opinion on sufficient audit evidence.⁶⁰² “Professional judgment” is defined in ISA as “[t]he application of relevant training, knowledge and experience, within the context provided by auditing, accounting and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the audit engagement.”⁶⁰³ “Professional skepticism” is defined in ISA as “[a]n attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence.”⁶⁰⁴ “Audit evidence” is defined in ISA as the “[i]nformation used by the auditor in arriving at the conclusions on which the auditor’s opinion is based.”⁶⁰⁵ ISA also requires an auditor to identify and assess the risks of material misstatement in the financial statements through understanding the entity and its

⁵⁹⁶ IAS 24, para. 1 (2009), available at <http://eifrs.ifrs.org/eifrs/bnstandards/en/2012/ias24.pdf>.

⁵⁹⁷ Id. para. 18.

⁵⁹⁸ Id. para. 9(a)(iii).

⁵⁹⁹ ISA 200, para. 14(2009), available at <http://www.ifac.org/publications-resources/2012-handbook-international-quality-control-auditing-review-other-assurance-a> (“The auditor shall comply with relevant ethical requirements, including those pertaining to independence, relating to financial statement audit engagements.”).

⁶⁰⁰ Id.; IESBA Code of Ethics § 290.4, available at <http://www.ifac.org/sites/default/files/publications/files/2012-IESBA-Handbook.pdf> (“In the case of audit engagements, it is in the public interest and, therefore, required by this Code, that members of audit teams, firms and network firms shall be independent of audit clients.”).

⁶⁰¹ ISA 200, paras. 15 (“The auditor shall plan and perform an audit with professional skepticism recognizing that circumstances may exist that cause the financial statements to be materially misstated.”), 16 (“The auditor shall exercise professional judgment in planning and performing an audit of financial statements.”).

⁶⁰² Id. para. 17 (“[T]he auditor shall obtain sufficient appropriate audit evidence to reduce audit risk to an acceptably low level and thereby enable the auditor to draw reasonable conclusions on which to base the auditor’s opinion.”).

⁶⁰³ Id. para. 13(k).

⁶⁰⁴ Id. para. 13(l).

⁶⁰⁵ ISA 500, para. 5(c).

environment, including the entity's internal controls.⁶⁰⁶ Aside from ISA, the Committee and its advisors were not aware of any other auditing standards that might apply to the CONCACAF audits at issue that resembled language used by the auditor to identify auditing standards in the audit opinion letters.

7. Auditor Independence

5.154. A review of the evidence showed that the auditor used by CONCACAF – Kenny Rampersad & Co. – was not independent and in fact possessed clear conflicts of interest. For example, Kenny Rampersad himself was personally involved in Jack Warner's businesses. As discussed above, in public filings related to a loan in 1998 secured by a mortgage interest in the Centre of Excellence property, Rampersad signed a mortgage deed as Secretary to Renraw Investments Limited ("Renraw") and as Secretary to CCAM and Company Limited ("CCAM"), both companies owned by Warner.⁶⁰⁷ Rampersad did so notwithstanding the fact that, as reported in public filings, other individuals served as Secretary to those companies.⁶⁰⁸ Even more significant is the fact that the mortgage deed signed by Rampersad shows that the COE property is owned by Renraw and CCAM, but the CONCACAF financial statements audited by Rampersad that cover this period report the COE property as a CONCACAF asset.⁶⁰⁹ Also, letters obtained from public filings in Trinidad and Tobago from 2001 indicate that Kenny Rampersad & Co. was authorized to represent both Renraw and CCAM before the Trinidad and Tobago Registrar of Companies.⁶¹⁰

5.155. Rampersad acted at times as an accountant for CONCACAF itself. For example, in a 1996 architect's report, issued in connection with the development of the Centre of Excellence, Kenny Rampersad and Kenny Rampersad & Co. are listed as accountants for the CONCACAF Centre of Excellence.⁶¹¹ In 1997, Rampersad authored a letter on behalf of the CONCACAF Centre of Excellence to UBS, copied to Warner and Blazer, in connection with a \$6 million loan UBS was extending to CONCACAF for construction of the Centre of Excellence.⁶¹² In 1998, an employee of Kenny Rampersad & Co. was listed as the author of a set of financial statements for the COE and was identified as "Project Accountant" for the COE.⁶¹³ In 2009, Rampersad contacted the CONCACAF Controller on behalf of the COE and the President's Office in Trinidad and Tobago to find out if the monthly transfer of funds had been

⁶⁰⁶ ISA 315. This ISA is effective for audits of financial statements on or after December 15, 2009. A similar ISA exists for the period prior to December 15, 2009.

⁶⁰⁷ DOC05930822, DOC05930823.

⁶⁰⁸ DOC05930822, DOC05930823.

⁶⁰⁹ DOC05930876.

⁶¹⁰ DOC05930822, DOC05930823.

⁶¹¹ DOC04825020.

⁶¹² DOC04825028.

⁶¹³ DOC05930858; Witness Interview Memorandum.

sent.⁶¹⁴ Rampersad also acted as an accountant for CONCACAF when he assisted in preparing the very financial statements that he would audit.⁶¹⁵

5.156. Rampersad acted at times as Blazer's personal accountant. In 2009, when Blazer was closing on the purchase of the apartments at the Atlantis in the Bahamas, the bank providing mortgage financing to Blazer requested that he submit a letter, on his accountant's letterhead, detailing his assets.⁶¹⁶ Rampersad provided such a letter, on his firm's letterhead, identifying Blazer as his client.⁶¹⁷ In connection with the same transaction, Rampersad had earlier provided a letter on behalf of Blazer to the same bank identifying CONCACAF as his firm's client and summarizing Blazer's income from CONCACAF for the last five years.⁶¹⁸

8. Auditing Process

5.157. Emails indicate that it was important to Warner and Blazer that the CONCACAF financial statements be presented as "audited."⁶¹⁹ Ultimately, the financial statements were always presented as such. Nevertheless, the Integrity Committee found no evidence to indicate that the financial statements were in fact audited, although the Committee was unable to acquire the work papers of the auditor. To the contrary, CONCACAF employees with knowledge of the process of compiling the financial statements were not able to identify activities that had been conducted that one would normally associate with an audit: there had been no testing or sampling of transactions, no collection of contracts, no review of bank reconciliations or wire transfer records, and no risk assessment procedures related to accounting controls.⁶²⁰ The employees described the activities of the auditor in a manner more consistent with bookkeeping than audit work.⁶²¹

9. Presentation of Financial Statements

5.158. Warner and Blazer typically presented the financial statements to the Executive Committee for approval before they were presented to the Congress. The Committee reviewed the minutes from 12 pre-Congress Executive Committee meetings, as well as the audio and video recordings of five of these meetings.⁶²² The presentation of the financial statements was one of the first agenda items for each of these meetings. At two of these meetings, the financial

⁶¹⁴ DOC00924536.

⁶¹⁵ DOC04698799, DOC04704570, DOC04704811, DOC00922431, DOC03660299, DOC03660335, DOC03519281, DOC03660372, DOC03660375, DOC01692592.

⁶¹⁶ DOC00607703.

⁶¹⁷ Id.

⁶¹⁸ DOC00624828, DOC00607703.

⁶¹⁹ DOC00576202.

⁶²⁰ Witness Interview Memoranda.

⁶²¹ Witness Interview Memoranda.

⁶²² DOC05931276, DOC05931278, DOC05931280, DOC05931283, DOC05931285, DOC05931287, DOC05931289, DOC05931291, DOC05931293, DOC05931295, DOC05931297, DOC05931298.

statements were not ultimately presented for the Executive Committee's review because the audit had not yet been completed.⁶²³ When presentations were made, they varied in length and substance. The financial statements were always presented as audited. Based on a review of the audio and video recordings of the meetings available to the Committee, when the audited financial statements were presented, the presentations lasted around five or six minutes.⁶²⁴ On one occasion, Warner simply took a few seconds to note that he considered the financial statements to have been reviewed, asked if there were any questions, and then promptly moved on to the next agenda item without the presentation of any details.⁶²⁵ Although Warner frequently asked if the Executive Committee members had any questions about the financial statements, the members typically did not ask any such questions. The Committee took note of only three Executive Committee meetings during which specific queries about the financials were made.⁶²⁶

5.159. Warner and Blazer would also often present interim financial statements to the Executive Committee at meetings which did not precede a Congress. These statements were not represented as audited. The Committee reviewed the minutes from 22 such Executive Committee meetings, as well as the audio and video recordings of five of these meetings. At four of these meetings, the interim financial statements were not prepared in time for the meeting and the discussion was either postponed or a verbal presentation of the financials was given to the Executive Committee. When Blazer did conduct presentations of the interim financial statements, they varied in length and substance. On one occasion, the discussion of the interim financial statements lasted four minutes, during which time Blazer described the balance sheet in general terms and spoke briefly about the overall position of the organization.⁶²⁷ During this meeting, Warner mentioned that he did not want Blazer to go into any more explanation than necessary and that he did not know why Blazer felt he needed to go into so much detail, noting that his competence was trusted.⁶²⁸ Nonetheless, in these meetings Warner frequently asked if the Executive Committee members had any questions when interim financial statements were presented.

5.160. Warner and Blazer presented the financial statements at each of the Congresses.⁶²⁹ The Committee reviewed the minutes from 13 Congresses, as well as the audio and video recordings of seven of these meetings. At two of these Congresses, the audited financial statements were accepted as presented without any discussion.⁶³⁰ Any presentations of the financial statements made by Blazer were brief, lasting from approximately one to five

⁶²³ DOC05931289, DOC05931297.

⁶²⁴ DOC05931287, DOC05931291.

⁶²⁵ DOC05931285, DOC05926240.

⁶²⁶ DOC05931278, DOC05931280, DOC05931282.

⁶²⁷ ID05926253.

⁶²⁸ Id.

⁶²⁹ DOC05931275, DOC05931277, DOC05931320, DOC05931281, DOC05931284, DOC05931286, DOC05931287, DOC05931290, DOC05931292, DOC05931294, DOC05931296, DOC05931299, DOC05931300.

⁶³⁰ DOC05931292, DOC05931281.

minutes.⁶³¹ Blazer typically presented an overview of the financial statements and highlighted the positive aspects of CONCACAF's financial health in general terms, often with a focus on revenues related to marketing and sponsorship deals. Members of the Congress typically did not ask questions regarding the financials and only at three Congresses were any questions reflected in the record.⁶³²

10. CONCACAF Seeks an Independent Accountant for the COE

5.161. Concerns about the lack of independence of CONCACAF's outside auditor, Kenny Rampersad & Co., were raised in a meeting of the CONCACAF Executive Committee in December 1996.⁶³³ At that meeting, an Executive Committee member pointed out that there was a problem with Kenny Rampersad & Co. serving as accountants for the Centre of Excellence project while at the same time serving as CONCACAF's auditor.⁶³⁴ Blazer responded, in the presence of Warner, saying that "a separate review of the funds for the [COE] will have to be done by someone else locally; however, Rampersad & Co. will do the overall audit [for CONCACAF] since they are independent from [the COE]."⁶³⁵

5.162. In August 1997, Warner sent a memorandum to the same Executive Committee member attaching a written profile of an audit and accounting firm based in Trinidad and Tobago.⁶³⁶ In the memo, Warner wrote that the firm "had been appointed to audit the expenditure at the CONCACAF Centre of Excellence" and that the appointment took effect on July 1, 1997.⁶³⁷ During the course of the investigation, counsel to the Integrity Committee interviewed the principal accountant of the firm identified in Warner's memo. The principal accountant's signature appears on the written firm profile that Warner sent to the Executive Committee member.⁶³⁸ The principal accountant stated that he had never been retained to work as an accountant for the COE, but recalled that Kenny Rampersad had come to see him at one point to talk about doing some accounting work for the COE.⁶³⁹ The principal accountant said that he did not agree to perform any accounting work for the COE, Rampersad, or Warner, and that he has never done any such work.⁶⁴⁰ The principal accountant also stated his belief that he may have provided the written profile of his firm to Rampersad at their meeting solely for

⁶³¹ DOC05931286, DOC05931287, DOC05931290, DOC05931292, DOC05931294, DOC05931296, DOC05931299, DOC05931300.

⁶³² DOC05931277, DOC05931279, DOC05931286.

⁶³³ DOC05930838.

⁶³⁴ Id.

⁶³⁵ Id.

⁶³⁶ DOC04825025.

⁶³⁷ Id.

⁶³⁸ Witness Interview Memorandum.

⁶³⁹ Witness Interview Memorandum.

⁶⁴⁰ Witness Interview Memorandum.

marketing purposes.⁶⁴¹ The Committee found no evidence indicating that the principal accountant has ever done work for CONCACAF.

5.163. The Committee found evidence indicating that Kenny Rampersad & Co. continued to work as accountants for the COE after 1997, notwithstanding the stated concerns in the Executive Committee about the firm's lack of independence. As previously discussed, a detailed report on the COE, including COE-specific financial statements, was presented to the Executive Committee in 1998.⁶⁴² The report was prepared by a certain individual who was identified in the report as the "Project Accountant."⁶⁴³ During the course of the investigation, counsel to the Committee spoke to the project accountant, and he stated, among other things, that from 1993 to 2008, he worked as an accountant for Kenny Rampersad.⁶⁴⁴

5.164. In 2008, Blazer and Warner discussed the issue of Rampersad's independence in an email exchange.⁶⁴⁵ Blazer expressed concern about maintaining the appearance of Rampersad's independence because CONCACAF was "now using [Rampersad] to make filings with FIFA."⁶⁴⁶ Blazer reminded Warner that, years before, an Executive Committee member had taken issue with the fact that Rampersad "had a function at the [Centre of Excellence] and was also auditing [CONCACAF's financial] statements."⁶⁴⁷ Blazer recounted that the issue had been addressed simply by not including the COE in CONCACAF's financial statements "and just reporting expenditure from HQ and the amortization [sic, depreciation] as the only items included in the Statements."⁶⁴⁸

⁶⁴¹ Witness Interview Memorandum.

⁶⁴² DOC05930858.

⁶⁴³ Id.

⁶⁴⁴ Witness Interview Memorandum.

⁶⁴⁵ DOC00576202.

⁶⁴⁶ Id.

⁶⁴⁷ Id.

⁶⁴⁸ Id.

VI. APPLICABLE STANDARDS

6.1. In addition to making findings of fact, the Integrity Committee sought to determine whether the prior management of CONCACAF, in the performance of its duties, may have violated the law in any relevant jurisdiction or may have violated the CONCACAF Statutes or the FIFA Code of Ethics (the “FIFA Ethics Code”). The Committee focused in particular on whether Warner or Blazer may have committed fraud against CONCACAF or FIFA, or misappropriated funds or other assets from CONCACAF, and on whether Warner or Blazer committed tax crimes or exposed CONCACAF to criminal or civil liability under the tax laws of the United States. The Committee also considered whether Warner or Blazer breached fiduciary duties owed to CONCACAF and whether they violated the CONCACAF Statutes or the FIFA Ethics Code. The Committee was not in a position to apply the more stringent tests of proof that would apply to a case in a court of law and hesitates to make dogmatic statements as to the guilt of any person. In that regard, further investigation would be required. The Committee measured the conduct of Warner and Blazer against the standards set out below.

A. Fraud

6.2. Fraud constitutes a criminal offense in most, if not all, jurisdictions,⁶⁴⁹ and it is also an actionable civil violation.⁶⁵⁰ Because there are a number of potentially relevant jurisdictions in this matter, including New York (the former location of CONCACAF headquarters), Florida (the location of CMTV), the Bahamas (CONCACAF is a Bahamian non-profit corporation), Trinidad and Tobago (the location of the Centre of Excellence and the President’s Office), and Switzerland (the location of FIFA headquarters), the Committee employed a broad, general definition of “fraud” that captures conduct prohibited by law in most, if not all, jurisdictions.

6.3. For purposes of this investigation, the Committee’s definition of fraud includes, at a minimum, the following basic elements: (i) obtaining any kind of property; (ii) by means of dishonest conduct, including false pretenses, misrepresentations, or false promises; (iii) with intent to deceive and permanently deprive another person of the property.

B. Misappropriation

6.4. Misappropriation of property constitutes a criminal offense in most, if not all jurisdictions. It is also an actionable civil violation. Individuals who misappropriate property with which they are specifically entrusted are frequently said to have engaged in embezzlement. For purposes of this investigation, the Committee used the following definition for misappropriation: (i) converting the property of another person to one’s own use while in lawful

⁶⁴⁹ See, e.g., Model Penal Code § 223.3 (theft by deception); 18 U.S.C. § 1341 (2012) (U.S. federal mail fraud statute); 18 U.S.C. § 1343 (U.S. federal wire fraud statute); Bahamas Penal Code 17, 58, 59 (2001).

⁶⁵⁰ See *Derry v. Peek*, (1889) L.R. 14 App. Cas. 337 (the tort of fraud or deceit in English law requires, not merely a showing that a statement made was unreasonable, but a showing that the defendant made a statement knowing it was not true, had no belief in its truth, or was reckless with regard to the truth).

possession; (ii) with intent to defraud. In many jurisdictions, fraud and misappropriation as defined above are subsumed in different categories under the general rubric of “theft.”

C. U.S. Federal Income Tax Laws

6.5. As discussed previously, U.S. tax laws require non-profit organizations generating income in the U.S. to file income tax returns annually.⁶⁵¹ A non-profit organization that fails to file a federal income tax return for three consecutive years loses its tax-exempt status.⁶⁵² In addition, a corporation created under the laws of a U.S. state is a taxable entity and is obligated, among other things, to file an annual income tax return and pay income tax.⁶⁵³

6.6. Conduct that violates federal tax laws in the United States is subject to civil penalties, and in certain cases, can constitute a criminal offense. For example, an attempt to evade or defeat a federal tax is a felony offense.⁶⁵⁴ The willful failure to pay a tax, file a return, keep records, or supply information to the Internal Revenue Service is a misdemeanor offense.⁶⁵⁵

D. Fiduciary Duties

6.7. Although the particulars of the duties owed by directors and officers may vary among jurisdictions, there are two overarching duties that directors and officers in any jurisdiction owe to their company. First, underpinned by the principles of negligence, directors and officers owe duties of care, skill, and diligence to their company, often referred to collectively as the “duty of care.” The duty of care generally means that directors and officers must act in good faith, with the care of a prudent person, and in the best interests of their company.⁶⁵⁶ Second, as an outgrowth of equity, directors and officers owe to their company a “duty of loyalty.” The duty of loyalty generally means that directors and officers must refrain from self-dealing, usurping the company’s opportunities, and receiving improper personal benefits.⁶⁵⁷ This duty prohibits directors and officers from putting themselves in a position in

⁶⁵¹ I.R.C. § 6033(a).

⁶⁵² I.R.C. § 6033(j).

⁶⁵³ I.R.C. §§ 11, 6012; Treas. Reg. § 301.7701-2(b).

⁶⁵⁴ I.R.C. § 7201.

⁶⁵⁵ I.R.C. § 7203.

⁶⁵⁶ John F. Olson, et al., *Director & Officer Liability: Indemnification and Insurance* § 13:4 (2012) (“Nonprofit directors are generally held to an ordinary corporate standard of care, rather than the higher standard pertaining to trustees, and the requirement of such standard that they act with the prudence of an ordinary person in like position under similar circumstances is a pragmatic recognition of the limitations on diligence imposed by part-time, volunteer service.”); see also ABA, *Guidebook for Directors of Nonprofit Corporations* 19 (2d ed. 2002) (“The duty of care calls upon a director to act in a reasonable and informed manner when participating in the board’s decisions and its oversight of the corporation’s management. The duty of care requires that first, a director be informed; and second, a director discharge his duties in good faith, with the care that an ordinarily prudent person in a like position would reasonably believe appropriate under similar circumstances.”).

⁶⁵⁷ Olson, *supra* n.656 § 1:9 (“One recent formulation of the duty of loyalty was expressed as follows: ‘the duty of loyalty is transgressed when a corporate fiduciary, whether director, officer or controlling shareholder, uses his or her corporate office . . . to promote, advance or effectuate a transaction between the corporation and such person (or an entity in which the fiduciary has a substantial economic interest, directly or indirectly) and that transaction is not

which their personal interests may conflict with their duties to the company, or in which they make a secret profit. Indeed, since 2009, the FIFA Ethics Code has expressly recognized that CONCACAF officials owe fiduciary duties to CONCACAF: “While performing their duties, officials shall recognise their fiduciary duty, especially to FIFA [and] the confederations”⁶⁵⁸ In U.S. jurisdictions, the duty of care and the duty of loyalty are frequently referred to together as “fiduciary duties.” In many common law jurisdictions, the term “fiduciary duties” is intended to embrace principally the duty of loyalty, and the duty of care is considered a separate concept. For purposes of this report, the Committee refers to the duty of care and the duty of loyalty together and separately as “fiduciary duties.”

6.8. In many jurisdictions, directors and officers who breach their fiduciary duties to a company may be subject to civil liability. The “business judgment rule,” however, exists to protect from civil liability directors and officers who make decisions on an informed basis, in good faith, and in the honest belief that they acted in the best interests of their company.⁶⁵⁹ The business judgment rule may not apply to the conduct of directors of a non-profit organization with the same force as it does to the directors of a for-profit corporation.⁶⁶⁰

E. The CONCACAF Statutes

6.9. The CONCACAF Statutes assign certain duties to the Congress and the Executive Committee as bodies and to the President of the Executive Committee and the General Secretary individually.⁶⁶¹ As CONCACAF’s highest ranking official, the President is responsible for, among other things, representing CONCACAF and presiding over meetings of both the Congress

substantively fair to the corporation. Essentially, the duty of loyalty mandates that the best interest of the corporation and its shareholders takes precedence over any interest possessed by a director, officer or controlling shareholder” (quoting Grove v. Bedard, No. Civ. 03-198-B-S, 2004 WL 2677216 (D. Me. Nov. 23, 2004)); id., § 13:3 (“The corporate fiduciary’s duty of loyalty to his company is no less applicable to nonprofit directors and officers than to business company officials.”); see also ABA, supra n.656, at 29 (“The duty of loyalty requires directors to exercise their powers in good faith and in the best interests of the corporation, rather [than] in their own interests or in the interests of another entity or person The basic legal principle to be observed here is a negative one: The director shall not use a corporate position for individual personal advantage. The duty of loyalty primarily relates to: conflicts of interest; corporate opportunity; and confidentiality.”).

⁶⁵⁸ FIFA Ethics Code (2009), Art. 9; see also FIFA Ethics Code (2012), Art. 15.

⁶⁵⁹ ABA, supra n.656, at 28 (“Even where a corporate action has proven to be unwise or unsuccessful, a director will generally be protected from liability arising therefrom if he or she acted in good faith and in a manner reasonably believed to be in the corporation’s best interest, and with independent and informed judgment.”).

⁶⁶⁰ Daniel L. Kurtz, Board Liability: Guide for Nonprofit Directors 49-50 (1988) (The business judgment rule “is intended to afford directors total protection from liability for business judgments so long as the judgment is plausibly rational, involves no conflicting interest, and the director has acted in a manner that he believes reasonably is informed While the business judgment rule limits inquiry into decisions of business directors, the nonprofit context does not afford the same inherent safeguards of the decision-making process business corporations enjoy. For nonprofit organizations, directors’ legal accountability, not market forces, is the principal line of defense against director failure There are few cases which appear to invoke the rule for nonprofits.”).

⁶⁶¹ CONCACAF Statutes (2006), Arts. 20, 28, 29, 38, 39; CONCACAF Statutes (1994), Arts. 20, 28, 29, 38, 39; CONCACAF Statutes (1992), Arts. 20, 28, 29, 38, 39.

and the Executive Committee.⁶⁶² The General Secretary is responsible for the daily administration of CONCACAF and is expressly assigned, among other things, the duty “[t]o attend CONCACAF’s financial matters”⁶⁶³ including “the management of CONCACAF’s properties.”⁶⁶⁴ Certain financial matters, however, require the approval of the Congress which alone holds the authority “to approve loans”⁶⁶⁵ and “[t]o authorize the purchase, alienation or mortgage of real estate in an amount exceeding one hundred thousand dollars.”⁶⁶⁶ The CONCACAF Statutes empower the organization “to enforce CONCACAF’s Statutes.”⁶⁶⁷

F. The FIFA Ethics Code

6.10. The provisions of the FIFA Ethics Code, by their terms, govern the conduct of CONCACAF officials, including the President of the Executive Committee and the General Secretary.⁶⁶⁸ Since 2006, the CONCACAF Statutes have explicitly listed, among the objectives of the organization, “[t]o ensure that the bodies and Officials of CONCACAF and its Members observe the statutes, regulations, directives, decisions and Code of Ethics of FIFA in their activities.”⁶⁶⁹ Jack Warner and Chuck Blazer were each subject to the provisions of the FIFA Ethics Code in both their roles as CONCACAF officials and as long-standing members of the FIFA Executive Committee.⁶⁷⁰ Blazer remains a FIFA official, and as such, is still subject to the FIFA Ethics Code.

6.11. The FIFA Ethics Code has evolved over time since the first version of the code was adopted in October 2004, but generally it has consistently required officials in the administration of football, including CONCACAF officials, to act ethically,⁶⁷¹ with complete

⁶⁶² CONCACAF Statutes (2006), Art. 29; CONCACAF Statutes (1994), Art. 29; CONCACAF Statutes (1992), Art. 29.

⁶⁶³ CONCACAF Statutes (2006), Art. 39(d); CONCACAF Statutes (1994), Art. 39(d); CONCACAF Statutes (1992), Art. 39(d).

⁶⁶⁴ CONCACAF Statutes (2006), Art. 38; CONCACAF Statutes (1994), Art. 38; CONCACAF Statutes (1992), Art. 38.

⁶⁶⁵ CONCACAF Statutes (2006), Art. 20(g); CONCACAF Statutes (1994), Art. 20(g); CONCACAF Statutes (1992), Art. 20(g).

⁶⁶⁶ CONCACAF Statutes (2006), Art. 20(h); CONCACAF Statutes (1994), Art. 20(h); CONCACAF Statutes (1992), Art. 20(h).

⁶⁶⁷ CONCACAF Statutes (2006), Art. 2(3); see also CONCACAF Statutes (2006), Art. 28(a); CONCACAF Statutes (1994), Art. 28(a); CONCACAF Statutes (1992), Art. 28(a).

⁶⁶⁸ FIFA Ethics Code (2012), Art. 1; FIFA Ethics Code (2009), Art. 1; FIFA Ethics Code (2006), Arts. 1, 2; FIFA Ethics Code (2004), Art. 2.

⁶⁶⁹ CONCACAF Statutes (2006), Art. 2(7).

⁶⁷⁰ DOC05930814.

⁶⁷¹ FIFA Ethics Code (2012), Art. 13(3) (“Persons bound by this Code shall show commitment to an ethical attitude. They shall behave in a dignified manner and act with complete credibility and integrity.”); FIFA Ethics Code (2009), Art. 3(2) (“Officials shall show commitment to an ethical attitude while performing their duties They shall behave and act with complete credibility and integrity.”).

honesty and integrity,⁶⁷² with loyalty to their confederation or other governing body,⁶⁷³ and to refrain from engaging in self-dealing and corruption.⁶⁷⁴ More specifically, the code prohibits officials bound by it, which includes CONCACAF officials, from acting on behalf of CONCACAF while possessing an actual or potential conflict of interest,⁶⁷⁵ and requires officials to report conflicts of interest.⁶⁷⁶ The code also expressly prohibits officials from accepting commissions for negotiating any deal in the course of performing their duties, unless permission is expressly obtained by the relevant governing body.⁶⁷⁷ And, the code requires officials to report violations of its provisions.⁶⁷⁸

⁶⁷² FIFA Ethics Code (2006), Art. 4 (Representational Duties) (“Officials shall represent . . . the confederations . . . honestly, worthily, respectably and with integrity.”).

⁶⁷³ FIFA Ethics Code (2012), Art. 15 (“Persons bound by this Code shall have a fiduciary duty to FIFA, the confederations, associations, leagues, or clubs.”); FIFA Ethics Code (2009), Art. 9 (“While performing their duties, officials shall recognise their fiduciary duty, especially to FIFA, the confederations, associations, leagues and clubs.”); FIFA Ethics Code (2006), Art. 10 (“While performing their duties, officials shall remain absolutely loyal, especially to . . . the confederations . . .”).

⁶⁷⁴ FIFA Ethics Code (2012), Art. 13(4) (“Persons bound by this Code may not abuse their position in any way, especially to take advantage of their position for private aims or gains.”); FIFA Ethics Code (2009), Art. 3(3) (“Officials may not abuse their position as part of their function in any way, especially to take advantage of their function for private aims or gains.”); FIFA Ethics Code (2006), Art. 3 (Basic Rules) (same).

⁶⁷⁵ FIFA Ethics Code (2012), Art. 19(2) (“Persons bound by this Code shall avoid any situation that could lead to conflicts of interest. Conflicts of interest arise if persons bound by this Code have, or appear to have, private or personal interests that detract from their ability to perform their duties with integrity in an independent and purposeful manner. Private or personal interests include gaining any possible advantage for the person bound by this Code themselves”); *id.* Art. 19(3) (“Persons bound by this Code may not perform their duties in cases with an existing or potential conflict of interest.”); FIFA Ethics Code (2009), Art. 5(2) (Conflicts of interest) (“While performing their duties, officials shall avoid any situation that could lead to conflicts of interest. Conflicts of interest arise if officials have, or appear to have, private or personal interests that detract from their ability to perform their duties as officials with integrity in an independent and purposeful manner. Private or personal interests include gaining any possible advantage for himself”); *id.* Art. 5(3) (“Officials may not perform their duties in cases with an existing or potential conflict of interest.”); FIFA Ethics Code (2006), Art. 8 (Ties or conflicts of interest) (“While fulfilling their task, officials shall avoid any situation that could lead to conflicts of interest. Conflicts of interest arise if officials have, or appear to have, private or personal interests that detract from their ability to carry out their obligations as officials with integrity in an independent and purposeful manner. Private or personal interests include gaining any possible advantage for himself”); *id.* Art. 14 (“Officials may not perform their tasks in cases with an existing or potential conflict of interest.”).

⁶⁷⁶ FIFA Ethics Code (2012), Art. 19(3) (“Any [conflict of interest] shall be immediately disclosed and notified to the organisation for which the person bound by this Code performs his duties.”); FIFA Ethics Code (2009), Art. 5(3) (“Any [conflict of interest] shall be immediately disclosed and notified to the organisation for which the official performs his duties.”).

⁶⁷⁷ FIFA Ethics Code (2012), Art. 22 (“Persons bound by this Code are forbidden from accepting commission or promises of such commission for themselves or intermediaries and related parties . . . for negotiating deals of any kind while performing their duties, unless the applicable body has expressly permitted them to do so.”); FIFA Ethics Code (2009), Art. 12 (“Officials are forbidden from accepting commission or promises of such commission for negotiating deals of any kind while performing their duties, unless the presiding body has expressly permitted them to do so.”); FIFA Ethics Code (2006), Art. 13 (same).

⁶⁷⁸ FIFA Ethics Code (2012), Art. 18 (“Persons bound by this Code shall immediately report any potential breach of this Code to the secretariat of the investigatory chamber of the Ethics Committee”); FIFA Ethics Code (2009), Art. 14 (“Officials shall report any evidence of violations of conduct to the FIFA Secretary General, who shall report it to

VII. CONCLUSIONS

7.1. The record leaves no doubt that Jack Warner and Chuck Blazer did much to promote and develop the sport of football both in the CONCACAF region and globally over a period of more than two decades. Each man deserves considerable credit for his contributions to the advancement of football. Nevertheless, it is equally apparent that Warner and Blazer, together and individually, used their official positions to promote their own self-interests, and frequently acted with disregard for the interests of the CONCACAF member associations and with disdain for the rules that governed their conduct. Furthermore, it is apparent that Warner and Blazer each was aware of the risk of potential misconduct posed by the other and was most capable of holding the other accountable; but neither did so, at least in part, to preserve the unfettered freedom to act in his own self-interest. This mutual lack of accountability enabled Warner and Blazer to coexist in unity for many years until May 2011, when Blazer disrupted the balance by reporting Warner to FIFA for ethics violations related to Mohamed bin Hammam's campaign for President of FIFA.

7.2. After a thorough and careful review of available evidence, the Integrity Committee concludes that the evidence supports certain findings with regard to the specific issues that the Committee has been asked to investigate.

A. The Centre of Excellence and CONCACAF Operations in Trinidad and Tobago

7.3. The Integrity Committee concludes that the evidence reviewed, on the balance of probabilities, supports the following findings with regard to the development of the Centre of Excellence and CONCACAF operations in Trinidad and Tobago:

- Warner Committed Fraud Against CONCACAF and FIFA
- Warner Committed Fraud and Misappropriated Funds from FFA
- Warner and Blazer Breached Their Fiduciary Duties to CONCACAF
- Warner and Blazer Violated the CONCACAF Statutes
- Warner Violated the FIFA Ethics Code

1. Warner Committed Fraud Against CONCACAF and FIFA

7.4. The evidence reviewed by the Integrity Committee establishes that Jack Warner committed fraud against CONCACAF and FIFA in connection with the ownership and development of the Centre of Excellence. Warner committed fraud in two ways. First, Warner secured funds from CONCACAF and FIFA by falsely representing, and intentionally creating a false impression, that the COE was owned by CONCACAF when he knew that the property was in fact owned by his own companies. Second, Warner induced FIFA to transfer funds that were intended for development of the COE to himself personally by falsely representing that the bank accounts to which FIFA should send the funds were CONCACAF accounts when he knew that in fact he controlled them personally.

the competent body.”); FIFA Ethics Code (2006), Art. 16 (Duty of disclosure and reporting) (“Officials shall report any sign of violations of conduct as prescribed in this Code.”).

7.5. CONCACAF and FIFA were both victims of Warner's fraud. Warner's conduct was primarily directed at securing funds and a loan guarantee from FIFA, and Warner succeeded in obtaining such funds and guarantee through fraud. Warner's fraudulent conduct also deprived CONCACAF of the financial assistance that FIFA provided to the organization with the intention of supporting CONCACAF's efforts to develop football in the region. Allocation of these funds to the COE required CONCACAF's approval, which Warner obtained through fraud. CONCACAF was also fraudulently induced to undertake obligations to repay funds that Warner obtained for the COE in the form of loans to CONCACAF. In the end, as a result of his fraudulent conduct, Warner divested CONCACAF and FIFA of approximately \$26 million, and Warner obtained title to the COE property, which rightfully belongs to CONCACAF.

a. False Statements to CONCACAF Regarding the COE

7.6. A review of public records in Trinidad and Tobago clearly establishes that, from 1996 to 1998, companies controlled by Warner purchased the parcels of land on which the COE was developed and that Warner's companies still hold title to the properties. Nevertheless, Warner consistently and falsely reported to the CONCACAF Executive Committee and the Congress in the CONCACAF financial statements that the COE was a CONCACAF asset worth many millions of dollars. For the last ten years and more, Warner participated in presenting financial statements to the Executive Committee and Congress that described the COE on the CONCACAF balance sheet as "freehold property," an unequivocal statement of land ownership by CONCACAF that is clearly false. At the same time, Warner consistently and fraudulently sought authorization from the Executive Committee to invest funds obtained from FIFA for development of the COE.

7.7. Warner acted in other ways to create a false impression within CONCACAF that the COE was owned by CONCACAF, while at the same time, he sought to persuade CONCACAF to allocate funds to the development of the COE. For example, when Warner obtained initial approval for the development of the COE in 1995, he informed the Executive Committee that the COE was intended to "help raise the quality of CONCACAF soccer." Warner said nothing of the fact that he would own the land on which the COE was developed. The approval resulted in an initial commitment from CONCACAF of \$7.5 million that was eventually funded through a loan provided by FIFA and a portion of a loan to CONCACAF guaranteed by FIFA.

7.8. Warner presided over the CONCACAF Congress in 1996 when Chuck Blazer informed the delegates that "[FIFA's] support for the Centre of Excellence will enable CONCACAF to have an ongoing facility for coaching and player development." At the same Congress, João Havelange, the President of FIFA, congratulated Warner "for his vision in building the CONCACAF Centre of Excellence in Trinidad." Warner said nothing of the fact that, less than a month earlier, his company had obtained title to land on which the COE would be developed. During that year, FIFA transferred \$3,950,000 to CONCACAF for development of the COE.

7.9. Warner created a false impression within CONCACAF through representations he made related to the purchase of Parcel 3 of the COE land. In a written report dated April 7, 1999, the Executive Committee was informed of the purchase of Parcel 3 using CONCACAF

funds. The report described the parcel as the “recently acquired property,” but the Executive Committee was not informed that title to the property was put in the name of Warner’s company.

7.10. Warner made an obviously false statement regarding COE ownership at a meeting of the Executive Committee in July 2001. After giving an encouraging report on increased use of the COE facility, Warner stated “we shall, of course, ultimately become proud owners.” The statement clearly was intended to reinforce the false impression held by Executive Committee members that the COE land was owned by CONCACAF. Indeed, over many years, Warner repeatedly presented progress reports on the development of the COE to the Executive Committee, and he presided over CONCACAF Executive Committee meetings during which the COE was discussed on at least 27 occasions. At no time did the discussions include an indication that Warner owned the property.

7.11. Warner concealed his fraud through further misrepresentations. As discussed in more detail below, Warner consistently represented to the Executive Committee and the Congress that the CONCACAF financial statements were subject to independent audits, when he knew that they were not. In reality, Warner and Blazer had arranged for the audits to be conducted by Kenny Rampersad, an accountant who clearly lacked the independence to conduct a proper audit and did not engage in activities one would associate with an audit. When questions arose in the Executive Committee about Rampersad’s ability to serve simultaneously as CONCACAF’s auditor and as the COE’s accountant, Warner falsely represented to an Executive Committee member that he had hired a separate accountant for the COE, when no such accountant had been hired, and then Warner continued to use Rampersad as the COE accountant and concealed that fact from the Executive Committee. Furthermore, notwithstanding the fact that the issue of Rampersad’s independence was squarely raised in the Executive Committee, Warner never disclosed the myriad ways that Rampersad’s independence was compromised as a result of his extensive relationships with Warner and Blazer. The value of these misrepresentations to Warner’s fraud scheme is obvious: Had a proper independent audit of CONCACAF’s financial statements been conducted, the true ownership of the COE would have been revealed, and Warner’s fraud would have been exposed, ending his ability to raise further funds from CONCACAF and FIFA.

b. Misleading Statements to FIFA Regarding the COE

7.12. Warner actively misled FIFA regarding ownership of the COE. For example, on October 3, 1998, Warner sent a letter to the FIFA Head of Finance in which he clearly created the false impression that the COE was a CONCACAF asset while at the same time he sought additional funds for the COE. The letter was authored by Warner in his capacity as CONCACAF President, was drafted on CONCACAF letterhead, and was copied to Blazer as “CONCACAF Secretariat.” In the letter, Warner acknowledged that funds provided would be conditioned on “CONCACAF, through its President . . . continu[ing] to send [FIFA] up-to-date [sic] reports on the schedule of works taking place at the facility.” Warner ended by thanking the FIFA Head of Finance for FIFA’s “assistance given to this Confederation.” Warner made no mention of the fact that he owned the land on which the COE was being developed. Thereafter, between December 1998 and June 1999, FIFA sent CONCACAF an additional \$6 million for the development of the COE. During the same time period, Warner sent at least two additional letters to the FIFA Head of Finance updating him on the progress of the COE. Warner sent those

letters on CONCACAF letterhead and in his capacity as President of CONCACAF, but again he did not disclose his ownership interest in the COE.

7.13. Warner created a false impression within FIFA through representations he made related to the purchase of Parcel 3 of the COE land. In a letter, dated January 19, 1999, Warner updated the FIFA Head of Finance on how CONCACAF had spent funds recently provided by FIFA. Warner stated that CONCACAF had spent \$640,000 on the purchase of Parcel 3. The letter obviously suggested that the land had been acquired by CONCACAF, but Warner never disclosed that his company had purchased the land. Warner also appears to have provided false information to FIFA about CONCACAF's expenditure on Parcel 3. A Memorandum of Transfer for Parcel 3, obtained from the Registrar of Companies in Trinidad and Tobago, shows that Warner's company Renraw paid only TT\$2,450,250 (approximately \$392,775) for the property, almost \$250,000 less than the \$640,000 purchase price Warner reported to FIFA.

7.14. FIFA later made it clear that it was acting under a false impression with regard to the ownership of the COE property when it required CONCACAF to represent, in connection with CONCACAF's request for continued funding from FIFA, that it had not "encumbered the real estate in any way." The Committee found no evidence indicating that Warner ever corrected FIFA's false impression by disclosing his ownership of the COE. Indeed, FIFA informed the Committee that, based on its review of records and files, it had determined that "FIFA was never aware that the Centre of Excellence would not be owned by CONCACAF."

c. False Statements to FIFA Related to Bank Accounts

7.15. Warner made false statements to induce FIFA to send funds to bank accounts that he controlled personally when FIFA clearly believed that the funds were being transferred to CONCACAF accounts for the development of the COE. In 1998, when Warner secured a \$6 million loan from FIFA on behalf of CONCACAF, he sent to FIFA a letter provided to him by First Citizens Bank Limited ("First Citizens") in Trinidad and Tobago identifying a U.S. dollar savings account "IN NAME OF CONFEDERATION OF NORTH, CENTRAL AMERICAN & CARIBBEAN ASSOCIATION." Warner stated that he was sending the account number to FIFA in response to FIFA's request for "CONCACAF . . . to submit an account number where the money is to be transferred." Warner requested that FIFA transfer the loan proceeds to the account. The funds were subsequently sent. Evidence obtained by the Integrity Committee indicates that, more recently, the same bank account was listed under the name "Dr. Joao Havelange Centre of Excellence," the same name as the partnership in Trinidad and Tobago, comprised among Warner and his companies, that he previously registered in the name "C.O.N.C.A.C.A.F. Centre of Excellence." The clear implication is that Warner directed FIFA to send funds intended for CONCACAF to an account he controlled personally.

7.16. In 2001, Warner made a similar misrepresentation to FIFA. On that occasion, Warner wrote to the FIFA Head of Finance, asking him to send \$5 million to an account at First Citizens in Trinidad and Tobago. Warner wrote the letter on CONCACAF letterhead and in his capacity as President of CONCACAF, and stated that the funds would be used to repay the bank for "monies advanced from that Bank for operations and development of our Centre of Excellence." The funds were subsequently provided to CONCACAF and were offset against CONCACAF's 2003-06 FAP funds. Evidence obtained by the Integrity Committee indicates

that the account holder of the account Warner provided to FIFA was “Austin Jack Warner” and not CONCACAF. As a result of these misrepresentations, the evidence shows that Warner was able to secure for himself approximately \$11 million FIFA was led to believe it had sent to CONCACAF.

7.17. The Integrity Committee unfortunately did not hear from Warner on these issues because Warner declined to meet or provide information to the Committee. Warner did, however, explain his position on ownership of the COE in a 2012 meeting with the current CONCACAF General Secretary. Warner claimed that former FIFA President João Havelange gifted the COE to Warner’s family and to the CFU. In conducting its investigation, the Committee considered the merits of this claim and ultimately concluded that it could not be credited because the Committee found no evidence to support it. In fact, no witness interviewed had even heard Warner raise such a claim until after the COE ownership became a public controversy and the media sought an explanation. Furthermore, the claim that Havelange gave the COE as a gift in part to Warner’s family simply does not make sense because the development of the sport of football would in no way be served by giving the COE – a football and sports complex that was built with the obvious intention of serving as a regional facility – to a private family. Moreover, Havelange would not have had authority to provide such a gift to a private family using FIFA funds. Although such a gift might make more sense if given to the CFU, the evidence indicates that the COE was always considered to be a property of CONCACAF and not of the CFU. In fact, the evidence reviewed by the Committee – including relevant documents and interviews of witnesses with knowledge of CFU finances – revealed that the CFU itself did not consider the COE to be its asset and did not carry the COE as an asset on its balance sheet. Thus, the Committee concludes, based on its review of available evidence, that Warner’s claim is not credible.

7.18. The evidence reviewed by the Integrity Committee leads to the conclusion that Warner committed fraud against CONCACAF and FIFA in connection with the ownership and development of the COE. Warner committed fraud through false representations and by creating false impressions about the ownership of the COE; he secured control over funds sent by FIFA through false representations about the accounts to which FIFA sent the funds; and he concealed his fraud through false representations that the financial statements were independently audited. As a consequence of Warner’s actions, CONCACAF and FIFA were defrauded of approximately \$26 million, and CONCACAF was deprived of its rightful ownership of the COE.

2. Warner Committed Fraud and Misappropriated Funds from FFA

7.19. The evidence reviewed by the Committee also shows that Warner obtained through fraud and then misappropriated \$462,200 provided to CONCACAF by Football Federation Australia (“FFA”) in 2010. Although the Committee did not interview representatives from FFA, FFA provided documents related to the payment. The documents clearly show that FFA provided the funds to support an upgrade of the Marvin Lee Stadium at the COE and that FFA representatives were led to believe that the COE was owned by CONCACAF. During a trip to Trinidad and Tobago, an FFA delegation met with Warner and COE employees and made a site visit to the COE for purposes of considering the development project. In communications with a COE employee after the trip, a member of the FFA delegation referred to the stadium upgrade project as the “CONCACAF Centre of Excellence

Upgrade.” An FFA memorandum documenting the trip also refers to the COE as the “CONCACAF Centre of Excellence” and to Warner as the “President of CONCACAF.” One month after the visit, FFA sent the funds to CONCACAF. These documents show that the FFA provided the funds under the misimpression that they would be used to support a CONCACAF project.

7.20. The evidence further shows that the FFA funds were then misappropriated. The funds were paid to CONCACAF by FFA in the form of a check made out to “CONCACAF” which was deposited into a bank account maintained at Republic National Bank in Trinidad and Tobago, an account in which, earlier that year, Warner had deposited personal reimbursement funds from CONCACAF. The funds appear nowhere in CONCACAF’s accounting or financial records – the Committee was unable to identify any trace of the funds in the CONCACAF general ledger and they were not reported as income in CONCACAF’s 2010 financial statements. Given the history of Warner’s conduct, his failure to report this payment as income, and the general lack of accountability of funds sent to CONCACAF operations in Trinidad and Tobago, the Committee concludes that Warner misappropriated these funds.

3. Warner and Blazer Breached Their Fiduciary Duties to CONCACAF

7.21. The evidence reviewed by the Integrity Committee supports a finding that Jack Warner and Chuck Blazer breached their fiduciary duties to CONCACAF in connection with CONCACAF operations in Trinidad and Tobago. In short, the Committee concludes that Warner breached both his duty of care and his duty of loyalty to CONCACAF because he failed to act in the best interests of CONCACAF and engaged in self-dealing through the fraudulent conduct outlined above. The Committee concludes that Blazer breached his duty of care because he failed to act with the care of a prudent person and in the best interests of CONCACAF by abandoning his duties as General Secretary.

7.22. As previously discussed, the CONCACAF Statutes assigned to Blazer, as General Secretary, responsibilities for “the management of CONCACAF’s properties”⁶⁷⁹ and to “attend to CONCACAF’s financial matters.”⁶⁸⁰ Nevertheless, the Committee’s review of the evidence shows that Blazer completely failed to attend to either of these responsibilities when it came to the CONCACAF operations in Trinidad and Tobago. Blazer acknowledged his failures in a 2012 email to CONCACAF officials in which he sought to disassociate himself from Warner’s financial improprieties. Blazer described CONCACAF’s operations in Trinidad and Tobago as “a total enigma” and explained:

[M]y only involvement with [the COE and the President’s Office] was to make payments to Jack’s office and the COE on a monthly basis as authorized . . . I never had any authority nor management responsibility over the COE, the Presidential Office, its bank accounts nor property holdings. This information was always

⁶⁷⁹ CONCACAF Statutes (2006), Art. 38.

⁶⁸⁰ CONCACAF Statutes (2006), Art. 39(d).

added in the [financial statements] by the Auditor, Mr. Kenny Rampersad, and never done by me or my staff.

Although Blazer attributed his failure to attend to operations in Trinidad and Tobago to a lack of authority, which the CONCACAF Statutes show he clearly did not lack, his total and unexplained abandonment of responsibilities clearly assigned to Blazer suggests the possibility that Blazer consciously avoided involvement in Trinidad and Tobago because he suspected that Warner was engaging in improper activities. Blazer certainly believed that CONCACAF's significant investment in the COE was not made in the interest of developing football in the CONCACAF region. In 2010, Blazer acknowledged as much to a senior CONCACAF staff member, stating with regard to the COE, "[t]here are so many things that we could have done with the 10s of millions of dollars wasted there."

7.23. The evidence shows that, at a minimum, Blazer's abdication of his responsibilities to CONCACAF gave Warner the freedom he needed to engage in an ongoing pattern of fraudulent conduct over a period of many years. Indeed, the total lack of financial controls and accountability in the CONCACAF operations in Trinidad and Tobago created a substantial risk that CONCACAF funds would be misappropriated. Over a period of 16 years, CONCACAF sent monthly payments in round numbers to accounts controlled by Warner in Trinidad and Tobago to subsidize COE operations and to support the President's Office. Warner appears to have been subject to no oversight with regard to expenditure of the funds. The Committee could identify only one occasion in which CONCACAF received a detailed accounting of financial activity from operations in Trinidad and Tobago. In 1998, the Executive Committee received a detailed financial statement for the COE, indicating that the COE had more than \$1.2 million in cash on hand, together with approximately \$97,000 in income and \$270,000 in expenses for the eight-month period ending August 31, 1998. Notwithstanding the assets and the obvious existence of financial activity at the COE, the Committee found no other evidence that the COE or the President's Office ever accounted to CONCACAF for their expenditure of CONCACAF funds. Even in the financial statements, the COE and the President's Office were reported in many years as single expense items, representing solely the amount of funds sent to Trinidad and Tobago, without any accounting for a breakdown of expenses or offsetting income. The substantial amount of CONCACAF funds sent to Trinidad and Tobago, together with the total lack of accountability for the expenditure of those funds, raises the clear possibility that Warner misappropriated at least some of the funds he obtained from CONCACAF. Blazer bears significant responsibility for this situation, and thus the Committee concludes that Blazer breached his fiduciary duties to CONCACAF.

4. Warner and Blazer Violated the CONCACAF Statutes

7.24. The evidence reviewed by the Integrity Committee supports a finding that Jack Warner and Chuck Blazer each breached the CONCACAF Statutes in connection with CONCACAF operations in Trinidad and Tobago. Warner breached the CONCACAF Statutes by arranging for others to sign loan guarantees on behalf of CONCACAF without obtaining approval of the Congress, which according to the CONCACAF Statutes, is required for all loans

and all mortgages exceeding \$100,000 in value.⁶⁸¹ In fact, the evidence shows that Warner had individuals sign loan documents on behalf of CONCACAF who had no authority to do so. Blazer breached the CONCACAF Statutes in connection with the CONCACAF operations in Trinidad and Tobago because he failed to discharge his responsibilities under the CONCACAF Statutes as General Secretary to manage CONCACAF's properties and to attend to its financial matters.⁶⁸²

5. Warner Violated the FIFA Ethics Code

7.25. Finally, the evidence reviewed by the Integrity Committee supports a finding that Jack Warner violated the FIFA Ethics Code by engaging in self-dealing through fraud as described above. Under the FIFA Ethics Code, Warner was obligated to act ethically,⁶⁸³ with complete honesty and integrity,⁶⁸⁴ with loyalty to CONCACAF,⁶⁸⁵ and to refrain from engaging in self-dealing.⁶⁸⁶ Warner was also prohibited from acting on behalf of CONCACAF while possessing an actual or potential conflict of interest, which is defined to include situations where an individual's personal interests detract from their ability to perform their official duties.⁶⁸⁷ A review of the record shows that Warner clearly violated these provisions.

B. Compensation and Use of CONCACAF Assets by the Former General Secretary

7.26. The Integrity Committee concludes that the evidence reviewed, on the balance of probabilities, supports the following findings with regard to compensation and the use of CONCACAF assets by the former General Secretary:

- Blazer Misappropriated CONCACAF Funds
- Warner and Blazer Breached Their Fiduciary Duties to CONCACAF
- Blazer Violated the CONCACAF Statutes
- Blazer Breached the FIFA Ethics Code

1. Blazer Misappropriated CONCACAF Funds

7.27. The evidence reviewed by the Integrity Committee supports the conclusion that Chuck Blazer misappropriated at least \$15 million in compensation payments from CONCACAF during the time he served as General Secretary. More specifically, Blazer caused CONCACAF to pay to him the following amounts for commissions, fees, and rent expenses without obtaining authorization for such payments from the Executive Committee or the Congress and without

⁶⁸¹ CONCACAF Statutes (2006), Art. 20.

⁶⁸² CONCACAF Statutes (2006), Arts. 38, 39(d).

⁶⁸³ FIFA Ethics Code (2009), Art. 3(2).

⁶⁸⁴ FIFA Ethics Code (2006), Art. 4.

⁶⁸⁵ FIFA Ethics Code (2006), Art. 10 (“While performing their duties, officials shall remain absolutely loyal, especially to . . . the confederations . . .”).

⁶⁸⁶ FIFA Ethics Code (2009), Art. 3(3); FIFA Ethics Code (2006), Art. 3.

⁶⁸⁷ FIFA Ethics Code (2009), Arts. 5(2), 5(3); FIFA Ethics Code (2006), Arts. 8, 17.

being entitled to such amounts under any contract: (i) more than \$11 million in commissions; (ii) more than \$3.5 million in fees; and (iii) more than \$837,000 in rent expense payments. The evidence also shows that Blazer improperly compensated himself outside of the terms of the Sportvertising Contracts he previously had with CONCACAF by paying himself commissions on various revenues that did not qualify as sponsorships or TV rights fees, such as the proceeds from tournament gate receipts and possibly funds he secured from FIFA to build a broadcast studio at CONCACAF. Blazer concealed his unauthorized compensation payments from the Executive Committee through incomplete disclosures in CONCACAF's budgets and financial statements and by falsely representing that the financial statements were independently audited, when Blazer knew that in fact they were not. Blazer also avoided any challenge to his unauthorized compensation by failing to address his compensation in the Executive Committee at any time during the more than 13 years after his 1994 Sportvertising Contract expired on July 17, 1998, notwithstanding the fact that, as a fiduciary and under the FIFA Ethics Code, he was obligated to raise the issue. The result was to deprive CONCACAF of significant sums of money and the honest services of the General Secretary.

7.28. Blazer also misappropriated CONCACAF assets to finance his personal lifestyle, including among other things using CONCACAF funds to: subsidize rent on his residence in the Trump Tower in New York; purchase apartments at the Mondrian, a luxury hotel and residence in Miami; make a down payment on apartments at the Atlantis resort in the Bahamas; purchase a Hummer for his personal use; and obtain insurance coverage for his personal apartments as well as automobile and employee health insurance for himself and his girlfriend. The end result was that Blazer enriched himself for many years at CONCACAF's expense.

a. Blazer's Compensation

7.29. At the outset of his tenure as CONCACAF General Secretary, Blazer received authorization from the Executive Committee to compensate himself in the form of commissions. As a result of that authorization, Warner and Blazer entered into the 1990 Sportvertising Contract, which was renewed in 1994. After the expiration of the 1994 Sportvertising Contract on July 17, 1998, Blazer had no authority to pay himself funds that he was not already entitled to receive under the Sportvertising Contracts because he had no agreement with CONCACAF on what his compensation would be. Once the 1994 Sportvertising Contract expired and was not renewed, Blazer had a duty, as a fiduciary of CONCACAF, to obtain authorization for any compensation that he would pay himself. He could not presume from the fact that the Executive Committee did not raise the issue that he had consent to pay himself as before, especially when his compensation was increasing significantly and the composition of the Executive Committee was changing over time. Notwithstanding his obligation to raise the issue, Blazer paid himself steadily increasing amounts in the form of commissions and fees over the next 13 years. Before the 1994 Sportvertising Contract expired on July 17, 1998, Blazer's accrued compensation for the most recent two-year period – as reported in CONCACAF's 1996-97 financial statements and reflected in the accounting records – was approximately \$750,000 or about \$375,000 per year. By 2011, Blazer's accrued compensation – as reported in CONCACAF's accounting records – had grown to over \$4.9 million for that year alone, and payments to Blazer from accrued compensation in that year totaled over \$6.5 million.

7.30. After the expiration of the 1994 Sportvertising Contract, Blazer avoided any challenge to his compensation by failing to raise the issue in the Executive Committee. Indeed, the Integrity Committee identified only two specific occasions during the entire 21-year period in which Blazer served as General Secretary when his compensation was explicitly discussed in the Executive Committee – once in 1990 and again in 1996. Both of these occasions occurred before the expiration of the 1994 Sportvertising Contract. The Committee also found no evidence indicating that Blazer received authorization for CONCACAF to pay part of the rent on his residences. The Committee conducted a thorough review of the evidence on these issues, including an extensive review of Executive Committee materials, minutes, written submissions, financial statements, budgets, and audio and video recordings, and counsel to the Committee interviewed numerous current and former Executive Committee members about this issue. The apparent absence of any discussion of Blazer’s compensation in the Executive Committee after 1996, when viewed in the context of the significant increase in his compensation over time, speaks forcefully and evidences a clear effort by Blazer to protect his compensation scheme by avoiding any consideration of the issue in the Executive Committee.

7.31. The only evidence that the Integrity Committee could find indicating that Blazer informed the Executive Committee of his commissions payments were wholly inadequate expense disclosures that Blazer included in CONCACAF’s biennial, and later annual, budgets and financial statements. In those documents, Blazer buried in the schedule of expenses an expense line item reflecting the amount he had allocated to himself, typically describing the expense simply as either “Commissions” or “Commissions & Fees” under a group of “Marketing” expenses. The line item provided no indication that it consisted of compensation to the General Secretary. Indeed, some of the Executive Committee members interviewed by the Committee stated that they never had any idea that this expense item was Blazer’s compensation. Other substantial expense line items typically reflected “Salaries and employee benefits” or “Salaries and staff benefits” and the commissions line item could easily have been seen as reflecting some other expense, such as marketing commissions paid to CONCACAF’s third-party marketing partners.

7.32. Although Blazer disclosed in the 2002 Congress that the “Commissions” line item “corresponds to a decision of the Executive Committee taken in 1990 to provide compensation for the General Secretary through commissions on revenue and for marketing and sponsorship,” this disclosure does not establish Blazer’s innocent intentions with regard to his compensation. First, the disclosure was not voluntary. Rather, Blazer was obligated to make the disclosure by representatives of the Mexican Football Federation who were challenging Jack Warner for the office of President of CONCACAF, and Blazer appears to have waited until the last minute to make the disclosure. Second, the disclosure was obviously not intended to properly present the issue to the Executive Committee for consideration, and indeed, it did not result in the Executive Committee taking up the issue. Third, the disclosure was materially incomplete because Blazer did not explain how the Executive Committee’s 1990 authorization applied to his commissions payments in 2002 and he did not inform the Congress that his contract with CONCACAF had expired four years earlier. Fourth, Blazer made the disclosure under circumstances that would have made it difficult to take note of or recall – Blazer made the disclosure in the middle of a lengthy and detailed letter on complicated financial matters that he read to the Congress. Under the circumstances, it is not surprising that there was no further discussion of this issue in the Congress and that most of the witnesses who attended the Congress who were interviewed by

counsel to the Committee did not recall that Blazer had addressed his compensation there. Although all of the then-current Executive Committee members were present at the Congress, none of them appear to have taken Blazer's disclosure as a request for authorization for his compensation.

7.33. Blazer actively concealed his compensation payments by falsely representing that the financial statements he provided to the Executive Committee and the Congress were subject to independent audits, when he knew that such a representation was completely false. As discussed in more detail below, Warner and Blazer arranged for the audits to be conducted by Kenny Rampersad, an accountant who clearly lacked the independence to conduct a proper audit and did not in fact engage in activities one would normally associate with an audit. The value of these misrepresentations to Blazer's misappropriation scheme was obvious: Had a proper independent audit of CONCACAF's financial statements been conducted, Blazer's compensation would have been disclosed clearly in the financial statements. As confirmed by interviews of Executive Committee members, given the amounts involved, this almost certainly would have given rise to discussions about the appropriateness of Blazer's compensation, and the Executive Committee very well could have stopped or modified Blazer's compensation.

7.34. The evidence suggests that Blazer actively concealed his compensation payments within the accounting and financial records of CONCACAF by paying himself through companies he controlled – the Sportvertising entities, the En Passant entities, and Multisport – instead of paying himself directly. The effect this had on at least one employee of the CONCACAF accounting department was that, even though she was later questioned about periodic payments to these companies, she had no idea that the payments comprised Blazer's compensation. At times, Blazer also structured his payments into smaller amounts, making the payments less conspicuous in the CONCACAF accounting and financial records. He also did not include related-party transaction disclosures in the financial statements, as required by objective accounting standards. Such disclosures necessarily would have to include information about that the payments and that they were made to companies controlled by Blazer. This would have revealed the magnitude of his compensation. Blazer even sought to conceal his compensation from CONCACAF's bank. When a bank representative called CONCACAF in 2011 to ask questions about En Passant, Inc., seeking information on the company's line of business and the purpose of payments from CONCACAF, Blazer falsely advised the bank that En Passant, Inc. was a third-party vendor handling "the sale of TV and sponsorship rights" for CONCACAF. Notwithstanding this representation, the Committee identified no evidence, including from employee interviews, that En Passant, Inc. provided such services to CONCACAF. In fact, the Committee's review of the evidence suggests that the payment at issue was simply one of Blazer's commission payments to himself.

7.35. Based on the foregoing, the Committee concludes that, after the 1994 Sportvertising Contract expired on July 17, 1998, Blazer compensated himself for more than 13 years without proper authorization from the Executive Committee, a period in which he collected from CONCACAF more than \$15 million in unauthorized commissions, fees, and rent expense payments. Certainly criticism can be, and should be, directed toward the Executive Committee for failing to address the issue of Blazer's compensation over a period of many years, but the failings of the Executive Committee do not excuse Blazer's conduct. As General Secretary, Blazer had a fiduciary duty to CONCACAF to act in its best interests without interference from

his personal interests. While Blazer had no obligation to negotiate against himself on compensation, his duties required him, at a minimum, to raise the issue periodically with the Executive Committee and to obtain express authorization for the manner and amount in which he would be compensated, especially true given the changing composition of the Executive Committee and the dramatic growth in CONCACAF's revenues over that period. It was certainly not enough for Blazer to include opaque disclosures in the budgets and financial statements and then say nothing of the amounts he paid himself for more than 13 years.

7.36. The Committee emphasizes that, after the expiration of the 1994 Sportvertising Contract on July 17, 1998, Blazer had no right to remuneration based on its terms. If he were to be entitled to remuneration for his services from July 18, 1998 through 2011, such an entitlement would, as a matter of law, have to be based on a *quantum meruit* theory. It would be an entitlement only to such remuneration as is reasonable, and the evidence shows that the parties had no agreement on what was reasonable.

7.37. Further, not only did Blazer compensate himself after the authorization he received from the Executive Committee expired, but he compensated himself beyond the scope of the authorization that had originally been provided to him. As set forth in the Sportvertising Contracts, the Sportvertising entities had been authorized to collect a 10% commission on "sponsorships and TV rights fees." The Committee's forensic accounting review, however, revealed that Blazer paid himself commissions on more than just revenues from such sponsorships and TV rights fees. Blazer also collected 10% commissions on various tournament promotion revenues CONCACAF received from its tournament partners, which included proceeds from match tickets, luxury suite rentals, parking, and venue concessions. The evidence also suggests that Blazer collected a 10% commission in 2006 on a \$3 million grant provided by FIFA to support the construction of a broadcast studio in the CONCACAF headquarters. These revenues obviously do not qualify as "sponsorship and TV rights fees." The Committee found no evidence indicating that commissions payments to Blazer on such revenues were ever authorized by the Executive Committee.

7.38. It is evident to the Committee, on the record reviewed, that Blazer failed to raise his compensation with the Executive Committee because he knew that it was unlikely that the members would approve the amount of compensation he was paying himself. Indeed, as CONCACAF's revenues grew, Blazer's commissions grew out of reasonable proportion to any compensation that the Executive Committee was likely to approve. Further, at some point, it no longer made economic sense for CONCACAF to compensate Blazer primarily based on commissions. In 1990, when Blazer's compensation arrangement was approved, CONCACAF had very little income. Under the circumstances, a largely commissions-based agreement made economic sense for both parties – it incentivized Blazer to grow income aggressively and at the same time, it limited CONCACAF's obligation to pay Blazer because CONCACAF would have to pay him less if his efforts to grow income were unsuccessful. By 1998, however, CONCACAF had sufficient revenues to pay a considerable salary to the General Secretary and no longer needed the protections of the commissions arrangement. CONCACAF had retained partners to grow and share in revenues arising from CONCACAF tournaments, and later, CONCACAF invested significant resources in hiring staff to focus on such activities. Nevertheless, Blazer's commissions-based compensation continued to grow but that growth was increasingly based on the efforts of CONCACAF's business partners and employees who were

compensated at CONCACAF's expense. At a minimum, these circumstances raised clear questions about the benefits to CONCACAF of Blazer's commissions-based compensation and Blazer should have put those questions before the Executive Committee for consideration.

7.39. Blazer's desire to avoid consideration of his compensation in the Executive Committee is demonstrated by a few additional facts. First, although Blazer has asserted that his compensation continued to be governed by the terms of the Sportvertising Contracts even after they expired, he conveniently ignored the contract provisions that contemplated annual review of the "basic fee" that Blazer continued to accrue in the "fees payable" account and pay himself. Indeed, there is no evidence that there were any annual reviews of Blazer's compensation. Furthermore, after FIFA prohibited commissions for football officials in 2006, Blazer did not raise the issue in the Executive Committee. In 2006, the FIFA Ethics Code was amended to include the following provision:

Officials are forbidden from accepting commission or promises of such commission for negotiating deals of any kind while performing their duties, unless the presiding body has expressly permitted them to do so.⁶⁸⁸

The proper response to the adoption of this provision in the FIFA Ethics Code would have been for Blazer to raise the issue with the CONCACAF Executive Committee and perhaps the Congress, and to seek authorization for the commissions to which he claimed he was entitled. As a member of the Executive Committee of FIFA, there is no doubt that Blazer was aware of this provision. Nevertheless, the Committee's review of the Executive Committee and Congress materials shows that the matter was not raised and express permission for the commissions arrangement was not obtained.

7.40. Blazer's conduct at the end of his tenure as General Secretary was also telling, revealing his general disdain for oversight by the Executive Committee and revealing the degree to which he was unwilling to let them determine his compensation. In November 2011, after Blazer was asked not to transfer additional funds to himself until the Executive Committee had completed a review of the basis he asserted for his compensation, Blazer paid himself \$1.4 million in an effort to reduce amounts he had accrued to himself in the "commissions payable" account to a zero balance. He informed the Executive Committee only after he received the payment, and he declined the Executive Committee's demand to return the money pending the resolution of issues regarding his compensation.

b. Other Use of CONCACAF Assets By Blazer

7.41. Blazer also misappropriated CONCACAF assets by using CONCACAF funds to finance his personal lifestyle. During the years that Blazer served as General Secretary, he arranged for CONCACAF to: (i) subsidize rent on his residences in the Trump Tower; (ii)

⁶⁸⁸ FIFA Ethics Code (2006), Art. 13; FIFA Ethics Code (2009), Art. 12 (same); see also FIFA Ethics Code (2012), Art. 22 ("Persons bound by this Code are forbidden from accepting commission or promises of such commission for themselves or intermediaries and related parties . . . for negotiating deals of any kind while performing their duties, unless the applicable body has expressly permitted them to do so.").

purchase apartments for his personal use in a luxury hotel in Miami; (iii) commit to purchase apartments at the Atlantis resort in the Bahamas and provide down payments on those apartments; (iv) purchase a Hummer for his personal use; (v) pay for liability insurance for his apartments in the Trump Tower; (vi) pay for automobile insurance for himself and his girlfriend; and (vii) pay for employee health insurance for his girlfriend, who was not an employee.

7.42. The Integrity Committee found anecdotal evidence that some of these items had connections to CONCACAF business – for example, at times Blazer conducted CONCACAF business in his apartment and the Hummer was used occasionally for CONCACAF business. Nevertheless, some of these expenses were clearly personal in nature, and indeed, the Committee found no business justification for most of them to be charged to CONCACAF. There was no reason for CONCACAF to pay for Blazer’s home office when he lived in the building that housed CONCACAF’s headquarters. There was no reason for CONCACAF to purchase apartments in a luxury hotel in Miami when Blazer could have rented a room in that same hotel or elsewhere when needed. There was no reason for CONCACAF to commit itself and its funds to purchasing apartments at the Atlantis resort in the Bahamas, a vacation destination. There was no reason for CONCACAF to pay for insurance for Blazer and his girlfriend. With regard to the Hummer, the Committee was unable to obtain sufficient evidence to reach a conclusion about the business rationale for the original purchase of the vehicle. The Committee notes, however, that the purchase appears imprudent, and eight years later CONCACAF is unable to sell the vehicle. Taken together, the use of CONCACAF funds to purchase these items shows that Blazer disregarded the line between personal assets and CONCACAF assets and that he misappropriated CONCACAF assets to fund his personal lifestyle.

7.43. The Committee finds that Blazer’s practice of comingling personal and CONCACAF expense charges in his personal American Express account to be entirely unsatisfactory and fraught with the potential for misuse of CONCACAF’s funds. The evidence revealed a complete lack of controls around the process of reconciling these charges, including the fact that there was no check on Blazer. CONCACAF also did not consistently require or maintain documentary support for business expenses, which no doubt impaired the reconciliation process and rendered the Committee unable to draw conclusions about the propriety of Blazer’s allocation of business expenses, effectively proving the significance of this deficiency. Indeed, it is simply impossible to see how Blazer could ever have properly separated personal and business expenses when he annually incurred millions of dollars of charges through thousands of transactions and then usually reconciled the charges only once per year. Even if Blazer did properly separate the charges, which is doubtful, the evidence establishes that he improperly used CONCACAF funds to finance his personal expenses from the time CONCACAF paid his American Express bill to the time he reconciled the charges and allocated any personal charges to himself.

7.44. The Committee found no evidence to support the allegation that, during the 1990s, Blazer misappropriated monthly sums of \$12,000 from sponsorship funds contributed by Umbro International. This issue arose from public statements that Warner reportedly made about Blazer. Notwithstanding a lack of evidence on this issue, the Committee notes that the fact that Warner was aware of the alleged misappropriation and apparently took no timely or appropriate action to deal with it illustrates the lack of mutual accountability between Warner and Blazer that was apparent in this investigation.

2. Warner and Blazer Breached Their Fiduciary Duties to CONCACAF

7.45. The evidence reviewed by the Committee supports a finding that Jack Warner and Chuck Blazer breached their fiduciary duties to CONCACAF in connection with the issue of Blazer's compensation and that Blazer also breached his fiduciary duties by misappropriating CONCACAF assets for personal use during his tenure as General Secretary. Warner breached his duty of care to CONCACAF because, by his own admission, he was aware that Blazer was compensating himself without authorization after the Sportvertising Contracts expired and Warner failed to raise the issue in the Executive Committee for more than 13 years. In this regard, Warner failed to act with the care of a prudent person and in the best interests of CONCACAF. Blazer breached both his duty of care and his duty of loyalty to CONCACAF through the pattern of misappropriation outlined above, which amounts to self-dealing and a failure to act in the best interests of CONCACAF. Blazer also breached his fiduciary duties by comingling his personal expenses with CONCACAF business expenses in his American Express account. A fiduciary should never mix his own funds with those of the organization to whom he owes a duty of loyalty.

3. Blazer Violated the CONCACAF Statutes

7.46. The evidence reviewed by the Integrity Committee supports a finding that Chuck Blazer violated the CONCACAF Statutes in connection with the pattern of misappropriation outlined above. As previously discussed, the CONCACAF Statutes assigned to Blazer, as General Secretary, the duty to attend to CONCACAF's financial matters.⁶⁸⁹ This duty implicitly included an obligation to ensure that significant financial obligations, including a substantial commissions arrangement with a senior employee, were properly authorized and that key employees were properly engaged by contract. The record shows that Blazer did not tend to these matters and thus the Committee concludes that he violated the CONCACAF Statutes.

4. Blazer Violated the FIFA Ethics Code

7.47. The evidence reviewed by the Integrity Committee supports a finding that Chuck Blazer violated the FIFA Ethics Code in connection with his compensation and use of CONCACAF assets. Under the FIFA Ethics Code, Blazer was obligated to act ethically,⁶⁹⁰ with complete honesty and integrity,⁶⁹¹ with loyalty to CONCACAF,⁶⁹² and to refrain from engaging in self-dealing.⁶⁹³ He was also prohibited from acting on behalf of CONCACAF while possessing an actual or potential conflict of interest, which the Code defines to include situations where an individual's personal interests detract from their ability to perform their official

⁶⁸⁹ CONCACAF Statutes (2006), Art. 39(d).

⁶⁹⁰ FIFA Ethics Code (2009), Art. 3(2).

⁶⁹¹ FIFA Ethics Code (2006), Art. 4.

⁶⁹² FIFA Ethics Code (2006), Art. 10 ("While performing their duties, officials shall remain absolutely loyal, especially to . . . the confederations . . .").

⁶⁹³ FIFA Ethics Code (2009), Art. 3(3); FIFA Ethics Code (2006), Art. 3.

duties.⁶⁹⁴ Blazer failed to honor these obligations through the pattern of misappropriation outlined above. More importantly, beginning in 2006, the FIFA Ethics Code prohibited football officials such as Blazer “from accepting commission or promises of such commission for negotiating deals of any kind while performing their duties, unless the presiding body has expressly permitted them to do so.”⁶⁹⁵ The Committee found no evidence that Blazer ever sought or obtained such permission from either the CONCACAF Executive Committee or Congress. As a result, the Committee concludes that Blazer violated the FIFA Ethics Code.

C. Failure to File U.S. Federal Income Tax Returns and Pay Taxes

7.48. The Integrity Committee concludes that the evidence reviewed, on the balance of probabilities, supports the following findings with regard to CONCACAF’s failure to file U.S. federal income tax returns and pay taxes:

- Blazer Violated U.S. Federal Tax Laws
- Blazer Breached His Fiduciary Duties to CONCACAF and CMTV
- Blazer Violated the CONCACAF Statutes

1. Blazer Violated U.S. Federal Tax Laws

7.49. The evidence reviewed by the Integrity Committee shows that Chuck Blazer violated U.S. federal tax laws, and may have committed criminal offenses, by willfully failing to file federal tax returns and pay taxes on behalf of CMTV for the years 2004 to 2010. Blazer also violated U.S. tax laws by failing to file federal tax returns on behalf of CONCACAF for the years 2006 to 2010. Although the Committee limited its review to U.S. federal tax laws, it saw no evidence that income tax returns were filed in any other jurisdiction where obligations may have applied.

7.50. As described above, the federal tax code in the United States requires a corporation, such as CMTV, formed under the laws of a U.S. state to file annual tax returns. This duty is commonly known in the United States and was well known to Blazer, a U.S. citizen. In fact, Blazer discussed with an advisor the tax implications of forming CMTV as a U.S. corporation before CMTV was actually formed. After CMTV was formed and began to generate income, Blazer knew that CMTV owed U.S. federal income tax. Blazer included in CONCACAF’s financial statements every year beginning in 2004 a reserve for potential tax liabilities arising from CMTV’s activities. That reserve accrued over time until the financial statements recorded almost \$2.5 million in potential liabilities in 2010. Nevertheless, Blazer failed to cause anyone to file U.S. federal income tax returns for CMTV and such returns were in fact never filed.

⁶⁹⁴ FIFA Ethics Code (2009), Arts. 5(2), 5(3); FIFA Ethics Code (2006), Arts. 8, 17.

⁶⁹⁵ FIFA Ethics Code (2006), Art. 13; FIFA Ethics Code (2009), Art. 12 (same); see also FIFA Ethics Code (2012), Art. 22 (“Persons bound by this Code are forbidden from accepting commission or promises of such commission for themselves or intermediaries and related parties . . . for negotiating deals of any kind while performing their duties, unless the applicable body has expressly permitted them to do so.”).

7.51. The evidence also supports a finding that Blazer's failure to file CMTV tax returns was willful. Blazer went out of his way to avoid engaging the IRS at any level at great expense to CONCACAF. Blazer instructed the CONCACAF Controller not to prepare a CMTV tax return after he had begun doing so. Blazer also was willing to forgo favorable tax treatment for revenue generated from CMTV's business partners in Mexico simply because he did not want CMTV to request an IRS Form 6166. This decision cost CONCACAF hundreds of thousands of dollars.

7.52. Blazer also failed to cause CONCACAF to file U.S. federal income tax returns as required by law. As previously stated, the federal tax code requires non-profit organizations to file income tax returns, and CONCACAF did not do so. The Committee found no evidence, however, that Blazer was aware of the change in the tax laws that created CONCACAF's obligation to file.

2. Blazer Breached His Fiduciary Duties to CONCACAF and CMTV

7.53. The Committee concludes that Chuck Blazer breached his fiduciary duties to CONCACAF in connection with the failure of CMTV to file U.S. federal income tax returns for the years 2004 to 2010, and to pay taxes due in those years, and in connection with the failure of CONCACAF to file U.S. federal income tax returns for the years 2006 to 2010. As General Secretary of CONCACAF, Blazer was responsible for managing the financial affairs of both CONCACAF and CMTV, which obviously required Blazer to address their respective tax obligations. Blazer completely failed to do so and accordingly failed to meet his duty of care because he did not act with the care of a reasonably prudent person and in the best interests of CONCACAF and CMTV. Accordingly, the Committee concludes that Blazer breached his fiduciary duties to CONCACAF and CMTV.

3. Blazer Violated the CONCACAF Statutes

7.54. The evidence reviewed by the Integrity Committee supports a finding that Chuck Blazer violated the CONCACAF Statutes by failing to address the U.S. tax obligations of CONCACAF and CMTV. As previously stated, the CONCACAF Statutes assigned to Blazer, as General Secretary, the duty to manage the financial affairs of CONCACAF.⁶⁹⁶ This duty no doubt required Blazer to address the tax obligations of CONCACAF and CMTV. The record shows that Blazer failed to address these matters and thus the Committee concludes that he violated the CONCACAF Statutes.

D. CONCACAF's Financial Statements and Audits

7.55. The Integrity Committee concludes that the evidence reviewed, on the balance of probabilities, supports the following findings with regard to CONCACAF's Financial Statements and Audits:

- Warner and Blazer Committed Fraud Against CONCACAF

⁶⁹⁶ CONCACAF Statutes (2006), Art. 39(d).

- Warner and Blazer Breached Their Fiduciary Duties to CONCACAF
- Warner and Blazer Violated the CONCACAF Statutes

1. Warner and Blazer Committed Fraud Against CONCACAF

7.56. The evidence reviewed by the Integrity Committee supports a conclusion that Jack Warner and Chuck Blazer committed fraud against CONCACAF in connection with the financial statements and audits in two ways. First, Warner and Blazer consistently issued financial statements that contained significant misrepresentations and material omissions, and in doing so, provided false information to the Executive Committee and the Congress about CONCACAF's financial condition and the disposition of its assets. Second, Warner and Blazer falsely represented that the CONCACAF financial statements were subject to independent audits, when in fact they both knew that the auditor used by CONCACAF was not independent and did not engage in activities one would normally associate with an audit. This had the effect of inspiring, in the members of the Executive Committee and the delegates to the Congress, false confidence in the accuracy and fairness of the representations in the financial statements regarding CONCACAF's financial condition and the disposition of its assets, when in fact, the financial statements contained significant misstatements and material omissions. As a result, the Executive Committee and the Congress were, for many years, deprived of important information needed to make significant decisions about CONCACAF's financial affairs. At the same time, Warner and Blazer were free to act in their own self-interests, without detection and oversight from the Executive Committee and the Congress.

7.57. The most significant misrepresentations and material omissions in the financial statements were discussed previously and include the following: (i) the financial statements for many years falsely reported the COE as a CONCACAF asset described as "freehold property," an indication of unrestricted land ownership, when title to the property was held by Warner's companies, not CONCACAF; (ii) the financial statements for many years falsely reported the COE as CONCACAF's most valuable asset when CONCACAF did not hold title to the property, a circumstance that significantly impaired CONCACAF's overall financial condition; (iii) the financial statements failed to identify compensation paid to Chuck Blazer as such and instead opaquely labeled such compensation as "Commissions" or "Commissions & Fees," thereby impeding the ability of the Executive Committee and the Congress to track and evaluate Blazer's compensation as it increased substantially over time; (iv) the financial statements failed to report income generated through operation of the COE and failed to provide information about how CONCACAF funds were spent in connection with the COE, the President's Office, or the Guatemala office; (v) the financial statements falsely characterized the likelihood of tax liability arising from the operations of CMTV as a possibility that could be addressed properly through establishing a reserve, when such liability was in fact a near certainty, and was increasing because Blazer never addressed the issue; and (vi) the financial statements in 2010 did not account for funds provided to CONCACAF by FFA and therefore falsely reported income.

7.58. Warner and Blazer were each responsible for the significant misrepresentations and material omissions in the financial statements. Indeed, Blazer had a duty under the CONCACAF Statutes as General Secretary to "attend to CONCACAF's financial matters,"

which put him squarely in charge of the financial statements.⁶⁹⁷ He was also the person who presented the financial statements to both the Executive Committee and the Congress, and he typically did so both orally and by means of a written memorandum to which he appended the financial statements. More specifically, Blazer had direct knowledge of the amount and manner in which he was compensated by CONCACAF and knew that the information was inadequately reported in the financial statements. He was clearly aware of the material omissions in the financial statements with regard to the reporting of income from operations at the COE and the reporting of expenses in connection with the COE, the President's Office and the Guatemala office. Blazer was the person most knowledgeable about CMTV's tax status and existing tax liabilities, and about the fact that they were not accurately reported in the financial statements. And, because he was responsible for "the management of CONCACAF's properties," Blazer should have known that CONCACAF did not hold title to the COE property.⁶⁹⁸ At a minimum, Blazer was aware of the absence of sufficient audit evidence and controls to support an accurate assertion of ownership of the COE in the financial statements. As a result, it is clear that Blazer knew that the financial statements did not fairly and accurately depict CONCACAF's financial condition and the disposition of its assets. Nevertheless, he presented them year after year to the Executive Committee and the Congress.

7.59. As CONCACAF's most senior executive, Warner was responsible for understanding and watching over CONCACAF's financial condition. He presided over both the Executive Committee and the Congress, and as a member of the Executive Committee was responsible for presenting the financial statements to the Congress. He actively participated with Blazer in the oral presentations of the financial statements, both to the Executive Committee and the Congress, and frequently commented on the organization's financial condition. He put himself in a position to be fully informed of CONCACAF's financial condition by selecting an accountant he worked with in Trinidad and Tobago to be the CONCACAF auditor. More specifically, the evidence showed that Warner knew that the financial statements contained false information and material omissions. He was clearly aware that his companies, and not CONCACAF, held title to the COE property. He controlled CONCACAF's operations in Trinidad and Tobago, including the COE and the President's Office, and thus would have known the details of financial activity in those offices and that important information about those operations was omitted from the financial statements. Warner was the person who negotiated Blazer's compensation in 1990 and 1994, and refused to sign a new agreement with Blazer in 1998, and thus was well aware that Blazer's compensation was not properly reported in the financial statements. Warner also received the payment from FFA so he would have known that it was not reflected as income in the 2010 financial statements. As a result, it is clear that Warner knew that the financial statements did not fairly and accurately depict CONCACAF's financial condition and the disposition of its assets; nonetheless, he participated in presenting them year after year to the Executive Committee and the Congress.

7.60. The evidence showed that the financial statements were not independently audited as they were represented to be. In fact, the Committee found evidence of non-compliance with

⁶⁹⁷ CONCACAF Statutes (2006), Art. 39(d).

⁶⁹⁸ CONCACAF Statutes (2006), Art. 38.

the auditor independence requirement of such magnitude that it concluded that the integrity, objectivity, and professional skepticism of both Kenny Rampersad and his firm were completely compromised. This lack of independence in turn jeopardized the reliability of the entire audit process and the conclusions reached by Rampersad's firm during the more than 15 years it served as outside auditor to CONCACAF. Rampersad had myriad relationships, with both CONCACAF and its former managers, that compromised his independence. Rampersad was personally involved in Warner's businesses; on occasion served as personal accountant to Chuck Blazer; and acted as accountant for CONCACAF and the COE. Rampersad even was actively involved in compiling and finalizing the very financial statements that he purported to audit. Furthermore, documents reviewed by the Committee raise serious questions about Rampersad's conduct, not the least of which is the mortgage deed signed by Rampersad in connection with the 1998 COE loan. The document shows that the COE property is owned by Renraw and CCAM, but the CONCACAF financial statements audited by Rampersad that cover the same period report the COE property as a CONCACAF asset.

7.61. The lack of independence of Rampersad's firm was important to both Warner and Blazer because it enabled each of them to act in his own self-interest without accountability. Indeed, Warner and Blazer actively concealed the lack of independence of Kenny Rampersad & Co. by making false representations to the Executive Committee when the matter became an issue in December 1996. At that time, Blazer gave assurances that the independence of Rampersad's firm would be preserved, stating that "a separate review of the funds for the [COE] will have to be done by someone else locally; however, Rampersad & Co. will do the overall audit [for CONCACAF] since they are independent from [the COE]." Nine months later, with auditor independence still in issue, Warner falsely represented to a member of the Executive Committee that a separate accounting firm in Trinidad and Tobago "had been appointed to audit the expenditure at the CONCACAF Centre of Excellence." In reality, Warner never retained the separate firm – a fact confirmed by the principal of the firm who said that his firm never worked for the Centre of Excellence or Warner. Warner and Blazer simply continued to use Rampersad's firm as both accountant for the COE and as auditor for CONCACAF, and they actively concealed that fact from the Executive Committee. This was confirmed by the individual who served as "Project Accountant" for the COE in 1998 when he stated that he worked for Kenny Rampersad & Co. at that time.

7.62. The evidence further showed that Rampersad did not engage in activities one would normally associate with an audit, suggesting that audits in fact were not conducted. As previously stated, Rampersad's activities were more consistent with those of a bookkeeper than an auditor, and the Committee found no evidence of activities that one would normally associate with an audit: there was no testing or sampling of transactions, no collection of contracts, no review of bank reconciliations or wire transfer records, and no risk assessment procedures related to accounting controls. Basic errors in the financial statements also suggested that no audit was conducted. In the end, the Committee was left to seriously question the appropriateness and validity of representations that the financial statements had been audited as a result of the obvious lack of auditor independence, failure by the auditor to exercise adequate professional judgment, and the possible lack of audit evidence.

2. Warner and Blazer Breached Their Fiduciary Duties to CONCACAF

7.63. The evidence reviewed by the Committee supports a finding that Jack Warner and Chuck Blazer breached their fiduciary duties to CONCACAF in connection with the financial statements and audits. They both breached their duties of care by consistently presenting financial statements to the Executive Committee and Congress that contained false representations and material omissions and thereby did not act in good faith and in the best interests of the organization. They further breached their duties of care by using an outside auditor who was not independent and who did not engage in activities one would normally associate with an audit. Warner and Blazer also breached their duties of loyalty because, the evidence suggests, they were motivated to include misrepresentations and material omissions in the financial statements and to use an auditor who was not independent and may not have conducted audits, in order to conceal their own self-serving conduct from the Executive Committee and Congress of CONCACAF.

3. Warner and Blazer Violated the CONCACAF Statutes

7.64. Finally, the evidence reviewed by the Committee supports a finding that Jack Warner and Chuck Blazer each violated the CONCACAF Statutes by presenting financial statements to the Executive Committee and the Congress that contained false representations and material omissions and that did not fairly and accurately represent the financial condition of CONCACAF and the disposition of its assets. The CONCACAF Statutes assigned to Blazer, as General Secretary, an obligation to attend to CONCACAF's financial matters which implicitly includes an obligation to support the quality and integrity of the financial statements.⁶⁹⁹ Blazer did not do this, and thus he violated the CONCACAF Statutes. Warner, as a member of the Executive Committee, had an obligation under the CONCACAF Statutes to present the financial statements and budgets to the Congress for approval.⁷⁰⁰ This obligation presumes that financial statements will be presented that are free from false representations and material omissions so that the Congress is able to understand what it is being asked to approve. Warner knew that the financial statements did not meet this standard, and therefore he violated the CONCACAF Statutes.

⁶⁹⁹ CONCACAF Statutes (2006), Art. 39(d).

⁷⁰⁰ CONCACAF Statutes (2006), Art. 20.

VIII. EPILOGUE

8.1. The members of the Integrity Committee present this report to the Executive Committee of CONCACAF as a record of our independent investigation. We submit that we have discharged our duties with diligence and in good faith, and we hope that this investigation and its findings and conclusions assist the new administration of CONCACAF in achieving its worthy objectives – transparency, accountability, and integrity.

/s/ David A.C. Simmons

Sir David A.C. Simmons, K.A., B.C.H., Q.C.
Chairman

/s/ Ricardo M. Urbina

Judge Ricardo M. Urbina
Member

/s/ Ernesto Hempe

Mr. Ernesto Hempe
Member

Counsel to the CONCACAF Integrity Committee
SIDLEY AUSTIN LLP
787 Seventh Avenue
New York, NY 10019
Timothy J. Treanor
Mark D. Hopson
Marcus A. Cordova

APPENDIX A

CONCACAF Integrity Committee

January 21, 2013

Hon. Austin Jack Warner
69 Cynthia Drive
Howell Settlement
Five Rivers
Arouca
Ward of Tacarigua
Trinidad

Re: Request for Documents

Dear Mr. Warner,

As you may know, the Confederation of North, Central American and Caribbean Association Football ("CONCACAF") has appointed an Integrity Committee to review matters pertaining to the previous administration of CONCACAF. On behalf of the members of the Integrity Committee, I would like to express our sincere hope and desire that you will participate in the Committee's efforts to gather information and to understand the facts about certain matters.

In that regard, on behalf of the Integrity Committee, I request that you provide to the Integrity Committee any and all documents or records in any form that you have in your possession or control related to the following issues:

- Any bank accounts in Trinidad and Tobago held in the name, or for the benefit of, CONCACAF and/or the Dr. João Havelange Centre of Excellence (the "Centre of Excellence"), including but not limited to any account opening documents, signature cards, account statements, correspondence, deposits and debits, loan applications and mortgage documents, and support documents (checks, wire transfer and other transactional documents);
- Operation of the Office of the President of CONCACAF which was formerly located in Trinidad, including but not limited to any correspondence and financial and accounting records;
- Drafting and approval of the CONCACAF statutes and any other materials related to the governance of CONCACAF;
- Ownership, development, construction, and operation of the Centre of Excellence, including but not limited to any records related to any funding and/or financing for the purchase or development of the Centre of Excellence, any transfer of funds to or from the Centre of Excellence, any mortgage loans taken against the Centre of Excellence, any accounting of expenses and/or revenue related to the operation of the Centre of Excellence, and any government filings related to the Centre of Excellence;

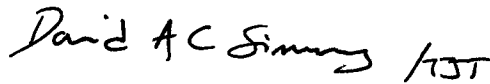
CONCACAF Integrity Committee

- Compensation paid at any time and for any purpose to the former General Secretary of CONCACAF, including but not limited to any related employment contracts, agreements with third parties, correspondence, or records related to any payments;
- Payment of, or failure to pay, taxes to the United States government, including but not limited to any tax advice obtained, any discussion or assessment of potential tax liability, and any correspondence related to any decision to pay or not to pay taxes;
- Financial disclosures by CONCACAF, including but not limited to any draft annual financial reports, any documents supporting disclosures in annual financial reports, any correspondence related to the process of auditing annual financial reports, and any documents related to financial disclosures to the Executive Committee or Congress of CONCACAF; and
- Any allegations of misconduct involving CONCACAF.

If documents or records responsive to this request no longer exist because they have been lost, discarded, or otherwise destroyed, we would appreciate receiving from you a description of the date and circumstances under which such documents or records were lost, discarded, or destroyed.

We ask that you comply with the above request by February 11, 2013. Please send all documents, records, or information that you have to the attention of Kaiisha McGee-Perry at CONCACAF Headquarters, 725 Fifth Avenue, 17th Floor, New York, NY 10022. If you have any questions related to this request, please contact Ms. McGee-Perry by email at kaiisha.perry@concacaf.org or by telephone at (212) 835-6819. To the extent that you may incur administrative expenses in responding to this request, such as photocopying or courier charges, we would be happy to discuss with you the possibility that CONCACAF might reimburse you for such reasonable expenses. I plan to contact you again at a later date to request a time for representatives of the CONCACAF Integrity Committee to meet with you. I thank you in advance for your cooperation in this process.

Sincerely,



Sir David Anthony Cathcart Simmons
Chairman, CONCACAF Integrity Committee

Jack Austin Warner
69 Cynthia Drive, Howell Settlement
Five Rivers
Arouca
Tel: 868 642 5145

January 29, 2013

Sir David Anthony Cathcart Simmons
Chairman
CONCACAF Integrity Committee
725 Fifth Avenue, 17th Floor
New York, NY 10022
U.S.A.

Dear Sir Simmons

Your letter dated January 21, 2013

I acknowledge receipt of your letter of Jan 21, 2013 in which you requested information related to CONCACAF.

As you are no doubt aware I resigned my position as President of CONCACAF on June 20, 2011 and at that time declared publicly that I would also relinquish all ties with football-related activities with CONCACAF and otherwise. Having done so, I have no documents or records in any form in my possession or otherwise which would allow me to respond to the matters contained in your letter.

With reference to your request for a meeting at some later date, I do not believe that such a meeting is necessary nor would it provide any additional information.

Yours faithfully

J _____

Jack Austin Warner

CONCACAF Integrity Committee

February 26, 2013

Hon. Austin Jack Warner
69 Cynthia Drive
Howell Settlement
Five Rivers
Arouca
Ward of Tacarigua
Trinidad

Re: Request for Meeting

Dear Mr. Warner,

I write to thank you for your correspondence, dated January 29, 2013, responding to the CONCACAF Integrity Committee's request for certain documents. I also write to respond to some of the points that you raise in your letter.

First, I ask that you reconsider your decision to decline to meet with the Integrity Committee. Although you indicate that you do not believe that such a meeting is necessary or would provide any additional information, it is apparent that, as President of the Executive Committee of CONCACAF for more than twenty years, you possess information that is both relevant and important to the Committee's review. The Integrity Committee obviously would prefer not to reach conclusions about certain matters without affording you an opportunity to be heard and to give your important perspective on these matters. We would be happy to set up a meeting in Barbados or some other location that is convenient for you and respectfully ask again that you agree to such a meeting.

Second, although you indicate in your letter that you do not possess documents or records in any form that would allow you to respond to the requests of the Integrity Committee, I respectfully request three simple things that I believe you are in a position to provide:

a) The Committee was informed that, in a meeting last year with CONCACAF Secretary General Enrique Sanz, you stated that you possess a letter from the former President of FIFA, Dr. João Havelange, gifting the Centre of Excellence in Trinidad to the Caribbean Football Union and the Warner Family. On behalf of the Integrity Committee, I ask that you provide a copy of that letter to the Committee in connection with our review.

b) On June 8, 2012, BBC Sport published an article addressing issues related to the compensation of former CONCACAF General Secretary Chuck Blazer. In that article, you are quoted as saying, in substance, that at the end of Mr. Blazer's contract in 1998, you informed him that his contract would not be renewed unless it was reviewed and that you followed that up with a letter you sent to Mr. Blazer in 2002 and have retained a copy of that letter. On behalf of the Integrity Committee, I ask that you provide a copy of that letter to the Committee in connection with our review.

CONCACAF Integrity Committee

c) Finally, as mentioned in my prior letter, the Committee would very much appreciate receiving from you a written description of the circumstances under which any documents you once possessed that are relevant to the Committee's review were discarded or destroyed.

I respectfully ask that you respond to my request by March 12, 2013, so that we can make any necessary arrangements to meet with you. To the extent that you are willing to provide any documents or information, including any information regarding any documents that have been discarded or destroyed, I ask that you send such documents or information to the attention of Kaiisha McGee-Perry at CONCACAF Headquarters, 725 Fifth Avenue, 17th Floor, New York, NY 10022. If you have any questions related to this request, please contact Ms. McGee-Perry by email at kaiisha.perry@concacaf.org or by telephone at (212) 835-6819. I thank you again for your assistance in this process.

Sincerely,

David AC Simmons /DT

Sir David Anthony Cathcart Simmons
Chairman, CONCACAF Integrity Committee

APPENDIX B

CONCACAF Integrity Committee

January 21, 2013

Mr. Chuck Blazer
Trump Tower
Apartment 49-J
725 Fifth Avenue
New York, NY 10022

Re: Request for Documents

Dear Mr. Blazer,

As you may know, the Confederation of North, Central American and Caribbean Association Football ("CONCACAF") has appointed an Integrity Committee to review matters pertaining to the previous administration of CONCACAF. On behalf of the members of the Integrity Committee, I would like to express our sincere hope and desire that you will participate in the Committee's efforts to gather information and to understand the facts about certain matters.

In that regard, on behalf of the Integrity Committee, I request that you provide to the Integrity Committee any and all documents or records in any form that you have in your possession or control related to the following issues:

- Any agreements and/or contracts entered into between CONCACAF and you and/or any companies beneficially owned or controlled by you;
- Any transfer of funds or anything of value between CONCACAF and you and/or any companies beneficially owned or controlled by you or any third party on your behalf;
- Any prior statement by you, to any individual associated with CONCACAF or otherwise, of the terms under which you were compensated by CONCACAF and/or CMTV at any time for any service you performed for CONCACAF and/or CMTV;
- The rental of any commercial office and/or residential living space in the Trump Tower at 725 Fifth Avenue in New York, NY, including but not limited to any records related to the intended and/or actual use of such real estate;
- The purchase and ownership of real estate at the Mondrian South Beach at 1100 West Avenue in Miami Beach, FL, including but not limited to any records related to any funding and/or financing for the purchase of such real estate;
- The purchase of real estate at the Reef Residences at Atlantis on Paradise Island, Bahamas, including but not limited to any records related to any funding and/or financing for the purchase of such real estate;
- Any sponsorship arrangement between CONCACAF and Umbro;

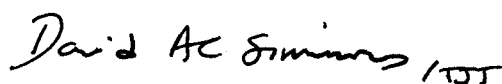
CONCACAF Integrity Committee

- Any allegations of misconduct involving CONCACAF;
- Ownership, development, construction, and operation of the Dr. João Havelange Centre of Excellence (the "Centre of Excellence"), including but not limited to any records related to any funding and/or financing for the purchase or development of the Centre of Excellence, any transfer of funds to or from the Centre of Excellence, any mortgage loans taken against the Centre of Excellence, any accounting of expenses and/or revenue related to the operation of the Centre of Excellence, and any government filings related to the Centre of Excellence;
- Payment of, or failure to pay, taxes to the United States government, including but not limited to any tax advice obtained, any discussion or assessment of potential tax liability, and any correspondence related to any decision to pay or not to pay taxes;
- Drafting and approval of the CONCACAF statutes and any other materials related to the governance of CONCACAF; and
- Financial disclosures by CONCACAF, including but not limited to any draft annual financial reports, any documents supporting disclosures in annual financial reports, any correspondence related to the process of auditing annual financial reports, and any documents related to financial disclosures to the Executive Committee or Congress of CONCACAF.

If documents or records responsive to this request no longer exist because they have been lost, discarded, or otherwise destroyed, we would appreciate receiving from you a description of the date and circumstances under which such documents or records were lost, discarded, or destroyed.

We ask that you comply with the above request by February 11, 2013. Please send all documents, records, or information that you have to the attention of Kaiisha McGee-Perry at CONCACAF Headquarters, 725 Fifth Avenue, 17th Floor, New York, NY 10022. If you have any questions related to this request, please contact Ms. McGee-Perry by email at kaiisha.perry@concacaf.org or by telephone at (212) 835-6819. To the extent that you may incur administrative expenses in responding to this request, such as copying or courier fees, we would be happy to discuss with you the possibility that CONCACAF might reimburse you for such reasonable expenses. I plan to contact you again at a later date to request a time for representatives of the CONCACAF Integrity Committee to meet with you. I thank you in advance for your cooperation in this process.

Sincerely,



Sir David Anthony Cathcart Simmons
Chairman, CONCACAF Integrity Committee

FRIEDMAN & WITTENSTEIN

A PROFESSIONAL CORPORATION

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NEW YORK, NEW YORK 10022

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February 8, 2013

By Electronic and Regular Mail

Sir David Anthony Cathcart Simmons
c/o Kaiisha McGee-Perry
CONCACAF Integrity Committee
725 Fifth Avenue, 17th Floor
New York, New York 10022

Re: Request for documents

Dear Sir David:

This firm represents Charles G. ("Chuck") Blazer in connection with his position and resignation as General Secretary of CONCACAF. We are in receipt of your letter of January 21, 2013, in which you request the production of documents and an interview of Mr. Blazer.

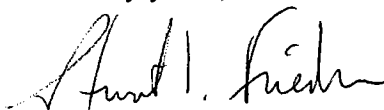
At this time, we decline to comply with your request for documents, interviews or other information. As you are aware, for more than a year now, Mr. Blazer and CONCACAF have been engaged in a dispute over funds due him under his contract with CONCACAF. In our meetings and discussions with representatives of CONCACAF, we repeatedly expressed our willingness to resolve the matter amicably and collaboratively, but declined to engage in "one-way discovery."

As stated above, Mr. Blazer is represented by this firm and requests that all future communications on this subject be directed to me. Mr. Blazer has been instructed by this firm not to deal with these issues in the absence of counsel, and we ask that you respect this request.

We reserve all rights.

Thank you.

Sincerely yours,



Stuart I. Friedman

Cc: Charles G. ("Chuck") Blazer

CONCACAF Integrity Committee

February 26, 2013

Stuart I. Friedman, Esq.
Friedman & Wittenstein
600 Lexington Avenue
New York, NY 10022

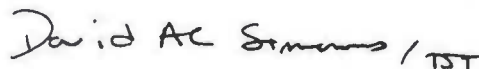
Re: Request for Meeting with Charles G. "Chuck" Blazer

Dear Mr. Friedman,

I write to thank you for your correspondence, dated February 8, 2013, responding to the CONCACAF Integrity Committee's request for certain documents. I also write to ask that Mr. Blazer reconsider the decision to decline to produce documents or records and to meet with the Committee. I have attached my original letter, dated January 21, 2013, for your reference. It is apparent that, as Secretary General of CONCACAF for more than twenty years, Mr. Blazer possesses information that is both relevant and important to the Committee's review and which is independent of any dispute that Mr. Blazer may have with CONCACAF. The Committee obviously would prefer not to reach conclusions about certain matters without affording Mr. Blazer an opportunity to be heard and to give his important perspective on these matters. We would be happy to set up a meeting at a time and place that is convenient for Mr. Blazer, and we are happy to conduct the meeting in the presence of counsel to Mr. Blazer.

I respectfully ask that you respond to my request by March 12, 2013, so that we can make any necessary arrangements to meet with Mr. Blazer. To the extent that Mr. Blazer is willing to provide any documents or information, including any information regarding any documents that have been discarded or destroyed, I ask that you send such documents or information to the attention of Kaiisha McGee-Perry at CONCACAF Headquarters, 725 Fifth Avenue, 17th Floor, New York, NY 10022. To the extent that Mr. Blazer is willing to meet with a representative of the Committee, or if you have any questions related to this request, please contact Ms. McGee-Perry by email at kaiisha.perry@concacaf.org or by telephone at (212) 835-6819. I thank you again for your assistance in this process.

Sincerely,



Sir David Anthony Cathcart Simmons
Chairman, CONCACAF Integrity Committee

enclosure

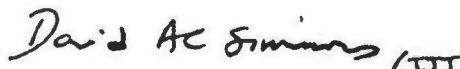
CONCACAF Integrity Committee

- Any allegations of misconduct involving CONCACAF;
- Ownership, development, construction, and operation of the Dr. João Havelange Centre of Excellence (the "Centre of Excellence"), including but not limited to any records related to any funding and/or financing for the purchase or development of the Centre of Excellence, any transfer of funds to or from the Centre of Excellence, any mortgage loans taken against the Centre of Excellence, any accounting of expenses and/or revenue related to the operation of the Centre of Excellence, and any government filings related to the Centre of Excellence;
- Payment of, or failure to pay, taxes to the United States government, including but not limited to any tax advice obtained, any discussion or assessment of potential tax liability, and any correspondence related to any decision to pay or not to pay taxes;
- Drafting and approval of the CONCACAF statutes and any other materials related to the governance of CONCACAF; and
- Financial disclosures by CONCACAF, including but not limited to any draft annual financial reports, any documents supporting disclosures in annual financial reports, any correspondence related to the process of auditing annual financial reports, and any documents related to financial disclosures to the Executive Committee or Congress of CONCACAF.

If documents or records responsive to this request no longer exist because they have been lost, discarded, or otherwise destroyed, we would appreciate receiving from you a description of the date and circumstances under which such documents or records were lost, discarded, or destroyed.

We ask that you comply with the above request by February 11, 2013. Please send all documents, records, or information that you have to the attention of Kailsha McGee-Perry at CONCACAF Headquarters, 725 Fifth Avenue, 17th Floor, New York, NY 10022. If you have any questions related to this request, please contact Ms. McGee-Perry by email at kailsha.perry@concacaf.org or by telephone at (212) 835-6819. To the extent that you may incur administrative expenses in responding to this request, such as copying or courier fees, we would be happy to discuss with you the possibility that CONCACAF might reimburse you for such reasonable expenses. I plan to contact you again at a later date to request a time for representatives of the CONCACAF Integrity Committee to meet with you. I thank you in advance for your cooperation in this process.

Sincerely,



Sir David Anthony Cathcart Simmons
Chairman, CONCACAF Integrity Committee

FRIEDMAN & WITTENSTEIN

A PROFESSIONAL CORPORATION

600 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022

(212) 750-8700

FAX (212) 223-8391

WWW.FRIEDMANWITTENSTEIN.COM

March 12, 2013

BY ELECTRONIC AND REGULAR MAIL

Sir David Anthony Cathcart Simmons
c/o Kaiisha McGee-Perry
CONCACAF Integrity Committee
725 Fifth Avenue, 17th Floor
New York, New York 10022

Re: Request for Meeting with Charles G. "Chuck" Blazer

Dear Sir David:

Thank you for your letter of February 26, 2013, in which you ask that we reconsider our rejection of your earlier request that Mr. Blazer produce documents and submit to an interview by the "CONCACAF Integrity Committee".

We have reconsidered your request and again must decline your invitation to Mr. Blazer to engage in the production of documents or participation in interviews. As I explained in my letter of February 8, 2013, for more than a year now, Mr. Blazer and CONCACAF have been engaged in a dispute over funds due him under his contract with CONCACAF. The amount owed to Mr. Blazer is very substantial. In our meetings and discussions with representatives of CONCACAF, we repeatedly expressed our willingness to resolve the matter amicably and collaboratively. We remain willing to meet and discuss a resolution of this dispute, and we are flexible as to the choice of forum and manner of resolution. However, Mr. Blazer's claims must be addressed and resolved in some forum, whether by a court or, as we prefer, by an alternative, collaborative process. In any event, under these circumstances, Mr. Blazer will not submit to a unilateral process whereby he produces documents and submits to an oral interview, while CONCACAF not only fails to honor its contractual obligations to Mr. Blazer, but does not even respond to his entreaties to meet and resolve the matter.

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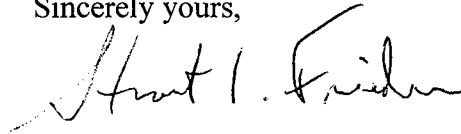
Sir David Anthony Cathcart Simmons
c/o Kaiisha McGee-Perry
March 12, 2013
Page 2

As also stated in our previous letter, Mr. Blazer is represented by this firm and requests that all future communications on this subject be directed to me. Mr. Blazer has been instructed by this firm not to deal with these issues in the absence of counsel, and we ask that you respect this request.

We reserve all rights.

Thank you.

Sincerely yours,

A handwritten signature in cursive script that reads "Stuart I. Friedman". The signature is written in black ink and is positioned above the printed name.

Stuart I. Friedman

cc: Charles G. ("Chuck") Blazer

APPENDIX C

CONCACAF Integrity Committee

January 31, 2013

Mr. Kenny Rampersad
Kenny Rampersad & Co. Ltd.
3A Queen's Park West
Port of Spain, Trinidad, W.I.

Re: Request for Documents

Dear Mr. Rampersad,

As you may know, the Confederation of North, Central American and Caribbean Association Football ("CONCACAF") has appointed an Integrity Committee to review matters pertaining to the previous administration of CONCACAF. On behalf of the members of the Integrity Committee, I would like to express our sincere hope and desire that you will participate in the Committee's efforts to gather information and to understand the facts about certain matters.

In that regard, on behalf of the Integrity Committee, I request that you provide to the Integrity Committee any and all documents or records in any form that you have in your possession or control related to the following:

- Financial disclosures by CONCACAF, including but not limited to any draft annual financial reports, any documents supporting disclosures in annual financial reports, any documents related to the process of auditing annual financial reports, including but not limited to any related notes or correspondence, and any documents related to financial disclosures to the Executive Committee or Congress of CONCACAF;
- Any trial balance, general ledger reports, and draft financial statements, including but not limited to any related notes, created by you and/or your office or provided to you and/or your office by anyone associated with CONCACAF or its subsidiary CONCACAF Marketing & TV Inc. ("CMTV") related to the business of CONCACAF or CMTV;
- Any documents or information related to access by you and/or anyone in your office to CONCACAF's or CMTV's general ledger, including but not limited to any access names or codes used;
- Any document or other information requests exchanged between you and/or anyone in your office and anyone associated with CONCACAF or CMTV related to the audit process for CONCACAF or CMTV, and any responses thereto;
- Any assessments or communications concerning the internal financial/accounting controls of CONCACAF or CMTV, including but not limited to any related communications between you and/or anyone in your office and anyone associated with

CONCACAF or CMTV related to any identified weaknesses, possibilities of fraud, or other significant findings from prior audits;

- Any communications about journal entries exchanged between you and/or anyone in your office and anyone associated with CONCACAF or CMTV, including but not limited to proposed adjusting journal entries, actual adjusting journal entries, waived adjusting journal entries, summaries of unresolved differences, proposed reclassification/consolidation entries, and accepted reclassification/consolidation entries;
- Any documents related to the establishment of, or transfers to, the General Reserve line-item on the CONCACAF financial statements, including but not limited to communications concerning such;
- Any documents related to the establishment, or calculation, of the Reserve for Taxation line-item on the CONCACAF financial statements, including but not limited to communications concerning such;
- Any documents related to the licensees or vendors of CONCACAF or CMTV, including but not limited to any agreements, confirmation letters, and communications concerning such;
- Any books and records, or copies thereof, relating to CONCACAF's accounting system, including but not limited to back-up tapes, hardcopy files, and electronic files, and the locations thereof;
- Any invoices submitted by you and/or anyone in your office to CONCACAF or CMTV and any related documents, including but not limited to time records and expense details;
- Compensation paid at any time and for any purpose to Jack Austin Warner in connection with his former role as President of CONCACAF, including but not limited to any transfers to the Centre of Excellence and/or CONCACAF's Trinidad office, agreements with third parties, correspondence, or records related to any payments or anything of value provided to the former President as compensation;
- Any documents related to CONCACAF's Trinidad office, including but not limited to cash receipts and disbursements, bank statements, and communications concerning such;
- Compensation paid at any time and for any purpose to the former General Secretary of CONCACAF, including but not limited to any related employment contracts, agreements with third parties, correspondence, or records related to any payments or anything of value provided to the former General Secretary as compensation;
- Ownership, development, construction, and operation of the Dr. João Havelange Centre of Excellence (the "Centre of Excellence"), including but not limited to any records

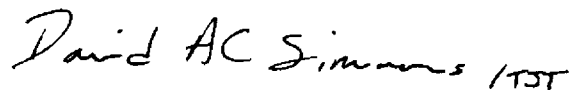
related to any funding and/or financing for the purchase or development of the Centre of Excellence, any transfer of funds to or from the Centre of Excellence, any mortgage loans taken against the Centre of Excellence, any accounting of expenses and/or revenue related to the operation of the Centre of Excellence, and any government filings related to the Centre of Excellence; and

- Payment of, or failure to pay, taxes to the United States government by CONCACAF or its subsidiary CMTV, including but not limited to any tax advice provided or obtained, any discussion or assessment of potential tax liability, and any correspondence related to any decision to pay or not to pay taxes.

If documents or records responsive to this request no longer exist because they have been lost, discarded, or otherwise destroyed, we would appreciate receiving from you a description of the date and circumstances under which such documents or records were lost, discarded, or destroyed.

We ask that you comply with the above request by February 15, 2013. Please send all documents, records, or information that you have to the attention of Kaiisha McGee-Perry at CONCACAF Headquarters, 725 Fifth Avenue, 17th Floor, New York, NY 10022. If you have any questions related to this request, please contact Ms. McGee-Perry by email at kaiisha.perry@concacaf.org or by telephone at (212) 835-6819. To the extent that you may incur administrative expenses in responding to this request, such as photocopying or courier charges, we would be happy to discuss with you the possibility that CONCACAF might reimburse you for such reasonable expenses. I plan to contact you at a later date to request a time for representatives of the CONCACAF Integrity Committee to meet with you. I thank you in advance for your cooperation in this process.

Sincerely,

A handwritten signature in black ink that reads "David AC Simmons" followed by a stylized monogram "DAS".

Sir David Anthony Cathcart Simmons
Chairman, CONCACAF Integrity Committee

CONCACAF Integrity Committee

February 26, 2013

Mr. Kenny Rampersad
Kenny Rampersad & Co. Ltd.
3A Queen's Park West
Port of Spain, Trinidad, W.I.

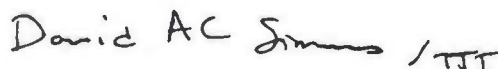
Dear Mr. Rampersad,

On January 31, 2013, I wrote to you on behalf of the Integrity Committee of the Confederation of North, Central American and Caribbean Association Football ("CONCACAF") seeking certain documents and records that you may have in your possession or control and asking that you comply with my requests by February 15, 2013. I attach a copy of my prior correspondence for your review.

As of today's date, the Integrity Committee has not received a response from you. I write again to reassert the Committee's prior request for documents and records and to ask that you make yourself available to meet with a representative of the Committee so that you can respond to certain questions we would like to raise with you. I would be happy to arrange a meeting in Barbados or some other location that is convenient for you and respectfully ask that you agree to such a meeting.

I ask that you respond to this request by March 12, 2013, so that we can make any necessary arrangements to meet with you. To the extent that you are willing to provide any documents or information, including any information regarding any documents that have been discarded or destroyed, I ask that you send such documents or information to the attention of Kaiisha McGee-Perry at CONCACAF Headquarters, 725 Fifth Avenue, 17th Floor, New York, NY 10022. To arrange a meeting with a representative of the Committee, or if you have any questions related to this request, please contact Ms. McGee-Perry by email at kaiisha.perry@concacaf.org or by telephone at (212) 835-6819. I thank you again for your assistance in this process.

Sincerely,



Sir David Anthony Cathcart Simmons
Chairman, CONCACAF Integrity Committee

enclosure

CONCACAF Integrity Committee

January 31, 2013

Mr. Kenny Rampersad
Kenny Rampersad & Co. Ltd.
3A Queen's Park West
Port of Spain, Trinidad, W.I.

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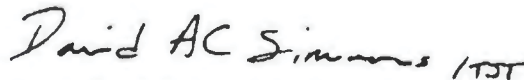
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Sir David Anthony Cathcart Simmons
Chairman, CONCACAF Integrity Committee