

# Salt Lake City bribery scandal: the buying of the Olympic games

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A bribery scandal has forced the resignation of the leaders of the Salt Lake City group which is organizing the 2002 Winter Olympics. The revelations of the past month have demonstrated anew the pernicious consequences of the takeover of international sport by giant corporations, especially the American-based media monopolies.

Frank Joklik, president of the Salt Lake Organizing Committee (SLOC), resigned January 8 after acknowledging that cash payments and other benefits were provided to members of the International Olympic Committee to influence the IOC's 1995 vote which awarded the 2002 games to the Utah capital city.

Senior Vice President Dave Johnson also resigned, and SLOC ended a \$10,000-a-month consulting contract with its former president Tom Welch, who headed the successful campaign to bring the Olympics to Salt Lake City.

Three days later Salt Lake City Mayor Deedee Corradini announced she would not seek reelection in 2000, as had been expected. While Corradini, a Democrat, denied that her decision had anything to do with the Olympics bribery scandal, over the past week city council members had called for her resignation.

Four separate investigations have been launched into the allegations of bribery, first raised last month by Marc Hodler, a senior IOC member from Switzerland. The SLOC, the US Olympic Committee and the IOC are all conducting internal probes, while the US Justice Department is investigating whether federal anti-bribery statutes have been violated, since many of the IOC members who allegedly received payments are officials of foreign governments.

Some of the cash payments and other benefits have been confirmed by the recipients. Jean-Claude Ganga, the IOC member from the Congo Republic, admitted

receiving \$70,000 in direct payments, as well as free medical care and a favorable position in a Utah real estate deal, which netted him \$60,000. Ganga described such arrangements as "normal."

There are allegations that the SLOC supplied visiting IOC members with prostitutes, that SLOC officials made campaign contributions to an IOC member who was running for mayor of Santiago, Chile, and that they provided college tuition for the children of IOC members from Ecuador and Libya. A cash contribution went to another IOC member from the Netherlands.

Hodler, the Swiss IOC official, charged that there has been extensive bribery to influence IOC selection votes at least since 1990, when Atlanta was chosen as the host city for the 1996 Summer Games. Similar scandals allegedly underlie the selection of Nagano, Japan for the 1998 Winter Games and Sydney, Australia for the 2000 Summer Games.

Hodler said that several middlemen had profited handsomely as brokers selling the votes of IOC members from Africa and the Middle East, who had no hope of winning selection for sites in their own regions but held the balance of votes in competition between North American, European and Asian cities.

One of these middlemen was identified in the Canadian press as Mahmoud El Farnawani, a former Egyptian Olympic athlete who emigrated to Canada and became a successful Toronto businessman. In recent years he has been hired as a "marketing consultant" for a series of successful Olympic bids. The Sydney bid committee paid him \$60,000, although one Australian official complained that he failed to deliver many votes. Salt Lake City's committee paid him \$58,000, and the group seeking the 2008 Summer Games for Toronto has paid him \$35,000.

The quadrennial games have always been a

combination of athletic competition, big business and international politics. Every Olympic Games held during the post-World War II period served as an expression of the tensions in international relations during the Cold War. With the advent of television, and especially satellite transmission of broadcasts in the 1960s, the games became increasingly commercialized to produce profits and serve as a prestigious showcase for major corporations.

Even in this context, however, the 1996 Atlanta games represented a qualitative leap, with an unprecedented degree of corporate involvement in exploitation of the spectacle, and a crude display of American chauvinism. The IOC's decision in 1990 to award the games to another US city, only six years after the 1984 Summer Games in Los Angeles, raised questions at the time about the overpowering influence of the American media monopolies.

Dick Pound, the IOC member from Montreal who is heading the group's investigation of the Salt Lake City case, told the Canadian press that the open bribery of IOC members was first employed by Atlanta officials to displace Toronto, which had been the frontrunner to receive the 1996 games.

Marc Hodler suggested that Salt Lake City might not be able to fulfill its contract with the IOC to stage the 2002 games, because the bribery scandal would make it more difficult to raise the huge sums required. But top IOC officials reaffirmed the award of the Winter Games, and Salt Lake officials said they had raised 72 percent of needed funds already.

The ultimate decision will be made, not by Olympic officials, but by corporate America. A dozen major corporations which are the principal sponsors of the Winter Games, including Coca-Cola, Xerox, Visa, John Hancock Financial Services, Lucent Technologies, Delta Airlines and US West, were reviewing their commitments. US West announced it was withholding the first \$5 million of its planned \$50 million contribution until the bribery allegations were investigated.



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