



Section A

doi: 10,12863/ejssax5x1-2017x1

The infiltration of the mafia organized crime in the football sports system

di Laura Santoro

My paper¹ concerns the issue of the infiltration of the mafia organized crime in the football sports system. This is a question of topical interest and is object of particular attention of the Italian legislator. Just of late, inside the Anti-mafia Parliamentary Commission has been constituted a special Committee on Mafia and Sports events. The Anti-Mafia Commission has been conducting several auditions of institutional representatives in the sports world, as, particularly, on past July, the chairman of the Italian Olympic National Committee (CONI), the leadership of the Italian Football Federation (FIGC) and the representatives of the Professional Football Leagues (A series, B series and PRO).

The National Anti-corruption Authority also drew attention to this issue, highlighting how football became a useful electoral, economic and financial consensus machine in

Italy, as it allows to make relationships with the territory, it allows also to be appreciated by different social strata and to leave that people with a bad image return to the forefront².

There are many cases worth mentioning where famous football celebrities (players and coaches), important clubs of the A series League or teams almost unknown to the general public have engaged in activities that have called the attention of the Anti-corruption Authority³.

² The President of the National Anti-Corruption Authority, Raffaele Cantone, said, "In the past entrepreneurs such as Berlusconi, De Laurentis, Moratti or Della Valle used to buy football teams to do business and win the good of the people. Today Camorra also follows the same strategy with small or medium clubs". See, in argument, the book of R. CANTONE and G. DI FEO, *Football Clan. Perché il calcio è diventato lo sport più amato dalle mafie*, Rizzoli, 2012.

³ The first case dates back to October 31, 1980, when the Avellino Juary's Brazilian champion, accompanied by the team's president, went to Castel Capuano, the old head office of the tribunal, during the hearing of the trial against the boss Raffaele Cutolo (whose name is linked, among other things, to the famous song of Fabrizio De Andrè entitled "Don Raffae"). On that occasion, the player handed him a 70 gram

¹ This paper reproduces the speech carried out at the Thirty-fifth International Symposium on Economic Crime, held at Jesus College – University of Cambridge on 3rd - 10th september 2017.

Studies have found that criminal organizations are attracted to the sport world mainly for three reasons: 1) the enormous economic interests that orbits around sports, especially when considering the professional football sector. According to the estimates contained in the White Paper on Sport presented by the Italian Olympic National Committee in 2012, Italian sports represent 1.6% of gross domestic product, with a turnover of 25 billion euros, while the value of production, directly or indirectly, is more than double, in particular € 53.2 billion); 2) the end of proselytism and the gathering of consensus that is necessary for the criminal organizations, especially mafia-type, to root in the territory, and the fan club sector which becomes fertile investment ground; 3) the visibility that sports events, due to their strong social and media impact, are able to guarantee.

gold medal, representing, on one face, the head of a wolf (the symbol of the club) and, on the other, the dedication: "To Don Raffaele Cutolo, with esteem". More recently, see the case of Mondragonese, a club playing in the Serie D championship and chaired by Renato Pagliuca, very faithful to the boss Augusto Torre, an important exponent of Camorra, and the case of Albinas, a Team of the C2 Series that disappeared from the football championship after the arrest of its president Dante Passarelli, a businessman linked to the Casalesi, a Camorra's clan derived from the Sicilian Mafia. See also the attempt of purchasing of the club Lazio by the Casalesi (which led to the arrest of Giorgio Chinaglia, one of the myths of Italian football); the case of Sanremese case which passed into the ownership of 'Ndrangheta and, in order not to pay the salaries to players, made explicit threats to the most paid players to force them to leave the club; the play off match for the C series between Locri and Crotona in May 1987, when, according to what referred by a Mafia informer, Crotona bought the promotion by offering kalashnikov and bazookas to the boss who controlled the Locri; Its remarkable, also, the photo of Diego Armando Maradona taken in 1986 in the shell's shape bathtub of the boss Giuliano, or the photo of Hasmsik with Domenico Pagano, the boss of the Camorra's clan named Scissionisti; also, the photo of Balotelli, during his trip in the Naples's slurb of Scampia, with two exponents of the most powerful clans of Camorra, namely Salvatore Silvestri of Lo Russo's clan, and Biagio Esposito of Scissionisti's clan; the match between Catania and Matera on February 2017, preceded by a minute of silence in memory of Ciccio Famoso, an ultra known as an habitual criminal. A detailed review of cases involving mafias and football is reported in R. CANTONE and G. DI FEO, *Football Clan*, cited above.

The most relevant issues related to the subject in question concern: 1) the management of sports clubs and sports facilities, with respect, on one hand, to security and public order, and on the other, to relationship with third-party investors and third-party suppliers; 2) ticket scalping and secondary ticketing activities; 3) betting and the recent emerging phenomenon of match fixing.

With regard to the first question, the scrutiny of the papers of the aforementioned anti-Mafia parliamentary commission reveals "some sort of authority of criminal organizations to ensure safety in the stadiums even through a triangle between the clubs, the same police forces and representatives of the fan organizations".

With regard, in particular, to the management of stadiums, it has been observed that each football match determines the employment of about eight hundred/one thousand people engaged in catering, security, gardening and other collateral activities of various kinds. To perform these services football clubs usually prefer outsourcing, thus creating a pool of interest for organized crime investments. This interest is not only measured in economic terms, but also sociological, since "the mafias seek their recognition and affirmation also through the visibility of the football world".

In this context, it should be remembered the Italian Football Federation's recent legislation on the use of the stadiums and the enhancement of the dialogue with the fans recognized by the club, which included, inter alia, the introduction of sanctions against memberships in cases of proven relationships, unauthorized, with ultras groups as well as the further strengthening of the role of the Supporter Liaison Officer and the stewards⁴.

With regard to the economic relationship between clubs and third-party investors and third-party suppliers, it must be highlighted the link between the operations relating to

⁴ See FIGC Activity Report 2015/2106, available at http://www.figc.it/other/Raporto_di_Attivita_2015-16.pdf.

transfer market of players and corporate assets and the danger of committing certain types of offenses (typical of mafia organized crime), such as the crime of receiving stolen goods, favored by large sums that are moved in these operations, even often partially in black.

In order to counter this danger, since the 2010/2011 season, FIGC has introduced the National Licensing System, according to which professional football clubs, who have the sporting title to apply for admission to championship of competence, must necessarily obtain the so-called "National License"⁵.

The National Licensing System is based on the requirements established by the Federal Council of the FIGC in accordance with Union of European Football Associations's competition licensing rules for sporting, infrastructure, organizational, legal and economic-financial criteria⁶.

⁵ The National Licensing System has its legal basis on art. 8 of the Statute of FIGC (Italian Football Federation) entitled "Admission to Championships organized by Professional Leagues", which provides that "1. The Federal Council establishes the requirements and criteria for admission to the championships organized by the Professional Leagues. In particular, in order to ensure the progressive and qualitative development of national football, the Federal Council adopts a licensing system and periodically determines its requirements in accordance with UEFA's European competition licensing principles with regard to sports infrastructural, organizational, legal and economic-financial criteria. 2. Each club, in order to qualify for the professional championship, has to obtain each season the license by the FIGC within the time limits established by the Federal Council in accordance with the terms set by UEFA for its licenses".

⁶ The National Licensing System has in fact welcomed and implemented the goal of promoting the credibility of football, to which the UEFA Licensing System aims. This latter, introduced since the 2004/05 season, is based on a set of well-defined quality standards that each club must respect in order to access to UEFA club competitions, as well as on key principles such as transparency, integrity, credibility and ability. The issuance of the license by national federations attests, therefore, the achievement of a certain qualitative level. See, in argument, A. FLISI, *Un approfondimento del Sistema delle Licenze Nazionali della FIGC*, in <http://www.adise.eu/wp-content/uploads/2017/07/ApprofondimentoSistemaLicenzeNazionali.pdf>.

With reference to the legal and economic-financial criteria, FIGC on March 2015 introduced the principle that acquisitions of shares and shareholdings that result in a participation in the capital of professional football clubs to a degree not lower than 10% can be made by subjects that meet specific requirements of integrity and financial soundness. Among the honorability requirements set by FIGC, it is that of submitting corporate acquisitions to audits for the issuance of the anti-mafia certification.

Following the above-mentioned reform, the Home Secretary, FIGC and the Professional Leagues (A, B and Pro League) signed the Legality Protocol for the Prevention of mafia infiltration in professional football clubs.

This agreement provides that, for the release of the anti-mafia certification, prefects must carry out strict controls, with specific regard to administrators and shareholders, by consulting a National Database; within 30 days, or 45 days, in the most complex cases, they will notify the absence or existence of reasons for the release of the anti-mafia certification.

With regard to the second question, it should be recalled that, unlike other countries⁷, in

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⁷ In France, the Parliament has significantly limited the "non-occasional" resale of tickets to sports events, concerts and shows by inserting a specific provision in the Criminal Code. Who, usually and without the authorization of the producer, or the organizer or the holder of the resold ticket for and event or a show, carries out the activity of selling, offering for sale or exhibiting for sale or providing means for the sale or transfer of access titles to a sport, cultural or commercial event or to a live perform, is punished with a fine of 15.000 euros. This fine will be rise to 30.000 euros in case of recidivism. Also in Belgium the usual resale is forbidden, as it is forbidden the occasional resale at a higher price than the official one. In the United Kingdom, secondary ticketing is regulated by the Consumer Rights Act of 2015. Secondary market operators are obliged to provide the consumers with certain informations regarding the specific place or area to which the ticket gives access, the presence of certain limitations in the use of the ticket and its nominal value. In United States, recently, a special federal law has

Italy the resale of tickets is legal, although most parties are pressing for the introduction of the offense of ticket scalping. Ticket scalping may, instead, already constitute the crime of unlawful purchase, but only where, as expressly acknowledged by the jurisprudence of the Italian Supreme Court⁸, the tickets purchased have unlawful origin. It should be noted, however, that such jurisprudence dates back to the entry into force of the legislation imposing for the sport events the sale of tickets bearing the name of the actual holder.

The issue specifically concerning secondary ticketing has been subject of a recent survey on ticketing in live shows by the Culture Committee of the House of Representatives, which led to the approval of a document aimed at adopting "effective measures to curb the phenomenon of online ticket scalping"⁹. Among the possible solutions identified to counteract the phenomenon without coming to drastic remedies, such as the peremptory prohibition of secondary ticketing and subsequent closure for the Italian market of all resale sites (which would lead to the impossibility for the private citizen to resell his own ticket), the Committee has proposed the introduction of the tickets bearing the

strengthened the ban of the use of "bots", the buy-in software able to circumvent the control systems for authorized dealership.

⁸ See Cass. pen. June 13th 2006, no. 20227, where it is denied that "ticket purchasing by touts is based on a fact that is contrary to the law." In order to recognize a crime in relation to reselling of tickets there must be an "element that allows to identify a presumed crime from which the tickets may be issued".

⁹ The investigation was taken following the resolution of contract between the singer Vasco Rossi, on November 9th, 2016, and Live Nation, one of the most prestigious live entertainment organizations in the world. The decision of the singer followed the Italian TV program called *Le Iene*, which denounced that Live Nation favored – instead of the direct sale of tickets - the secondary ticketing, namely the sale of ticket packages to specialized sites, which sold them at retail at much higher prices. After the complaint, the government this year has introduced a special rule that punishes the resale of tickets on the secondary market under certain conditions. The Anti-Trust Authority, also, has opened an infringement procedure against several operators involved in this sector.

name of the actual holder for all the live shows, as it already happens in the sport events. This solution, indeed, appears to be "difficult to perform for major concerts, for which verification of the identity of the holder of ticket would be costly, risky and problematic for consumers". Moreover it was recently criticized by the chairman of the CONI, with regard to the sport events and, in particular, to football matches, because it appears an obstacle to the strategy of favoring the presence of families in the stadiums.

The second proposed solution is to request at the entry "the display of the same credit card used for on-line shopping, so that secondary ticketing sites can not forestall tickets, unless they have thousands of credit cards". The third, finally, "is to require organizers to impose that the sites selling the tickets for their events have to use systems that require the purchaser online authentication in two or more phases and possibly typing the Captcha" (Completely Automated Public Turing test to tell Computers and Humans Apart).

With regard to the third question, as noted in the Annual Report of the National Anti-Mafia Directorate, gambling and betting, especially related to sport events, has become a real industry, which currently has a total turnover of 3 percent of the gross domestic product and employs 5,000 companies and 120,000 people. Italy is among the first country in the world for gaming volume. This market would therefore seem particularly appealing for three reasons: the amount of money, the use of cash and the fact that sanctions are objectively lower than those for other types of offenses.

Particular attention arouses the recently emerged phenomenon called match fixing, where the bet concerns not only the result, but everything that can be wagered during or before a game in dozens of combinations of events (number of goals, timing, substitutions, punishment, corner kick, etc.). As reported by the chairman of CONI during his audition before the Anti-Mafia Parliamentary Commission, the practice of match fixing

makes the betting sector uncontrollable and it increases the practice of selling the games, since the bet could concern a single player without the involvement of the whole team. It is no coincidence that the sports betting sector has been considerably extended in recent years, including individual sports and other sports unknown to the general public until few years ago.

This phenomenon has gained such an enormous scope in recent times to induce the CONI to set up an Operational Unit coordinated by the presidential cabinet, which works closely with the General Public Prosecutor's Office. Based on the survey activity carried out by this Unit, even at an international level, it emerged that the legalization process of betting, implemented by the Italian legislator to the declared purpose of contrasting the illegal and parallel sector of clandestine betting, has determined instead the emergence of new methods of conditioning sports activities.

The question is not easily solvable, given that the volume of business with its tax implications, which results in huge revenue for the State, makes it difficult to take countermeasures that are really severe and effective against a phenomenon which, on the one hand, poses a dangerous interest in organized crime and, on the other, a worrying propagation of ludopathies in different parts of the population. The same sport federal system is not immune from the above mentioned critical considerations, for example, considering the agreement between FIGC and Intralot, a sports betting company, for the sponsorship of the National team; an agreement that has been defined as a shame by the chairman of Italian Footballer Association.

To this phenomenon also relates the exponential spread of microcriminal activities (wear, small thefts, extortions also in the family) associated with the need to acquire the economic resources to be used for betting.

In order to contrast the match fixing scandal the Italian Football Federation has recently intervened with the tightening of the disciplinary sanctions related to the violation of article 6 of the New Code of Sport Justice, which fix the ban on betting in the professional leagues, and the duty to report for those who have notice of such violation¹⁰

¹⁰ With regard to the duty to report, it was strongly criticized especially from the athletes sector, in reference to recent cases brought to the attention of the media (the case of Antonio Conte, sanctioned for not having reported the agreements concerning the club of Siena, and the case of Simone Farina, a player of the club Gubbio, who was no longer able to find a job after having reported an unlawful agreement.. The Chairman of AIC (Italian Footballer's Association) Damiano Tommasi in a recent interview referring to the duty to report said that "It's a moralist rule which is likely to increase the code of silence. If there is an investigation by the State's judges and I'm called to testify, I will never collaborate with them, because if I say that I know something automatically I'll be prosecuted by the Football Federal Court for violation of the duty to report".

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