

REPORT ON ISSUES RELATED TO THE U.S. BID TEAM

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CONTENTS

1	REPORT ON ISSUES RELATED TO THE US BID TEAM	1
2	Decision from the US Bid to run	1
	A. Structure of the Bid – persons involved.....	1
	B. Link with United States Soccer Federation	3
	C. Reasons to Bid.....	4
	D. Budget of the Bid.....	6
	E. Government Support of the US Bid.....	7
	F. Support of the US Bid through private persons/entities	8
3.	Evaluation of the US Bid	8
4.	Investigations	9
	A. Steps undertaken by the Investigatory Chamber of the FIFA Ethics Committee	9
	B. Documents and Information submitted by the USSF.....	9
5.	Findings of the Investigations	10
	A. Collusion with another Bid Committee	10
	B. Contact with FIFA ExCo Members and Compliance with Reporting Requirements to the FIFA Ethics Committee.....	11
	C. Involvement of Mr Chuck Blazer in the US Bid.....	15
	D. Gifts and Coverage of Travel Costs for the benefit of FIFA ExCo Members	16
	E. Friendly matches	21
	i. Friendly matches on US soil without participation of a US national team.....	21
	ii. Friendly matches with participation of a USA national team	21
	F. Use of political influence to support the US Bid.....	23
	G. Development-related benefits directed at the Bidding Process.....	25

H. Concerns & Recommendations from members of the US Bid Committee 27

6. Conclusion..... 30

ANNEXES

Annexe A: Enclosures 1-36, see separate Table of contents: “Enclosures US Report”34
and separate USB stick

Annexe B: All other enclosures, see separate USB stick

1 REPORT ON ISSUES RELATED TO THE US BID TEAM

The Report on Issues Related to the Bidding Process for the 2018 and 2022 World Cup Venues (the "**Overall Report**") details the genesis of, and jurisdictional authority for, the present inquiry into that process and those sections are incorporated by reference herein. See Overall Report at Part I. As noted therein, the overall inquiry was led by Mr Michael Garcia, independent Chairman of the Investigatory Chamber of the FIFA Ethics Committee and Dr Cornel Borbély, independent Deputy Chairman of the Investigatory Chamber of the FIFA Ethics Committee. Since Mr Michael Garcia recused himself from the investigation of the United States Bid Committee ("**USA Bid Committee**"), given that he is a US national, the review of the USA Bid Committee's conduct during the Bidding Process was conducted solely by Dr Cornel Borbély and all findings and conclusions in this report with respect to the activities of that team are his alone (cf. art. 35 par. 2 lit. c of the FIFA Code of Ethics; see Overall Report Part I).

The review of the USA Bid Committee's compliance with the FIFA regulations, including the FIFA Code of Ethics and the Rules of Conduct (Encl. no 1) during the Bidding Process, was conducted on the basis of documents provided upon request by the United States Soccer Federation ("**USSF**") and all documents that have been available to the Investigatory Chamber of the FIFA Ethics Committee as well as interviews conducted with three members of the USA Bid Committee: Prof. Sunil Gulati, Mr Carlos Cordeiro and Mr David Downs, as further described below. Generally speaking there was no concrete allegation against the USA Bid team. Therefore, the investigation of that bid was conducted in the context of the overall investigation on the bidding process.

The report on the conduct of the USA Bid Committee during the Bidding Process is drawn up separately from the overall report prepared by the Investigatory Chamber of the FIFA Ethics Committee, which was prepared on the basis of the review conducted by Mr Michael Garcia and Dr Cornel Borbély. However, this report constitutes an integral part of, and should be read in conjunction with, the Overall Report.

2 DECISION FROM THE US BID TO RUN

A. Structure of the Bid – persons involved

According to the testimonies given by Prof. Sunil Gulati¹ (Encl. no 2), Mr Carlos Cordeiro (Encl. no 3) and Mr David Downs (Encl. no 4), the USA Bid Committee was set up as a

¹ Sunil Gulati mentioned special interest in respect of the disclosure of the information provided during his interview (cf. Gulati Transcript, Part 1, p. 4-5).

wholly owned subsidiary of the USSF. The USA Bid Committee was organised into two levels of personnel who were involved in the United States' bid to host the 2018 FIFA World Cup and the 2022 FIFA World Cup ("US Bid").

- Board of Directors:

The first level was composed of the USA Bid Committee board of directors and was responsible for the strategy, international relations, advocacy and interaction with the members of the FIFA Executive Committee ("FIFA ExCo").

The two central figures involved on the USA Bid Committee's board of directors were, according to their own statements, Prof. Sunil Gulati (Chairman and President of USSF) and Mr Carlos Cordeiro (Vice Chairman). Prof. Gulati and Mr Cordeiro predominantly interacted with the FIFA ExCo Members in relation to the US Bid.

In addition, according to the interviewees' statements, Mr Don Garber, board member of the USA Bid Committee, as well as former President of the United States Mr Bill Clinton as its Honorary Chairman were also involved, albeit to a lesser extent than Prof. Gulati and Mr Cordeiro, in the interactions with the FIFA ExCo Members on behalf of the USA Bid Committee.

- Staff:

The staff of the USA Bid Committee was responsible for administration and consisted of employees engaged by the USA Bid Committee for the purpose of preparing the technical bid documentation and handling the logistics of the USA Bid Committee's activity during the Bidding Process.

The staff of the USA Bid Committee was headed by Mr David Downs, who held the position of Executive Director. Additional key players of the USA Bid Committee's staff were Mr John Kristick, Managing Director, Mr Colin Barkley, who was responsible for the technical operations and the interface with the cities, stadiums, hotels and training facilities taking part in the US Bid, Mr Jurgen Mainka as Marketing Director and Ms Young-Sook Lee, Director of International Relations.

According to the witnesses' testimonies, the USA Bid Committee did not hire any outside consultants in relation to the advocacy and promotion of the USA Bid to the FIFA ExCo Members. This was confirmed by Prof. Gulati (Gulati Transcript, p. 9) and Mr Cordeiro (Cordeiro Transcript, p. 6), who were responsible for the advocacy and promotional work related to the US Bid. The USA Bid Committee did, however, use outside consultants, some paid and others not, for technical areas to be covered in relation to the US Bid and the Bidding Process (e.g. consultants for legal, architectural, legacy, communication, economic and environmental matters).

In the course of the Bidding Process, the USA Bid Committee was approached by a number of outside consultants offering their services with regard to the promotion of the US Bid and to facilitate contact with the FIFA ExCo Members (Gulati Transcript, p. 7-10 and p. 20; Cordeiro Transcript, p. 11; Encl. No 3: Downs Transcript, p. 10).

Prof. Gulati stated that Mr Peter Hargitay and Mr Fedor Radmann, public relations executives, were amongst the consultants who had approached the USA Bid Committee to offer their lobbying services. According to Prof. Gulati's testimony, Mr Hargitay specifically offered his consultancy services to lobby his good contacts within the FIFA ExCo membership. The USA Bid Committee declined all such offers.

In a letter to the FIFA ExCo Members dated 1 October 2010 (Encl. no 5), the FIFA General Secretary informed the Members of an England-based company named "Franklin Jones" that had apparently approached various FIFA ExCo Members during the Bidding Process claiming to work for the USA Bid Committee and offering development programmes in return for support of the US Bid. The USA Bid Committee had informed FIFA in relation thereto that "Franklin Jones" had been neither appointed by the USA Bid Committee nor was it given permission to work on behalf of the USA Bid Committee.

In this respect, Mr Cordeiro also testified as to the USA Bid Committee's non-involvement with any third parties that had posed as USA Bid representatives carrying out promotional services for the US Bid during the Bidding Process (Cordeiro Transcript, p. 22-23).

B. Link with United States Soccer Federation

The USA Bid Committee was closely linked to the USSF and consequently established by the FIFA Member Association in accordance with the terms and conditions of the Bid Registration for the purpose of participating in the Bidding Process and submitting a Bid to FIFA.

The USA Bid Committee Inc. was set up as a fully owned subsidiary of the USSF and was incorporated in Delaware on 7 January 2009 as a non-profit corporation. Based on the financial statements of the USA Bid Committee attached to the post-audit conducted by BDO USA LLP ("BDO") (Encl. No 6: Post Audit Report), the USA Bid Committee was in major parts financed by the USSF. This was further confirmed by Mr Downs in his testimony (Downs Transcript, p. 21).

The following persons with significant practical involvement in the USA Bid Committee also had a role with the USSF:

- Prof. Sunil Gulati, Chairman of the USA Bid Committee, was President of the USSF;
- Mr Carlos Cordeiro, Deputy Chairman of the USA Bid Committee, was the treasurer of the USSF; and
- Mr Don Garber, a member of the USA Bid Committee's board of directors, was also a member of the USSF's board of directors as well as Commissioner of the Major League Soccer.

In addition, personnel of the USSF performed certain professional services for the USA Bid Committee at no cost, such as human resources services (e.g. responsibilities related to salary payments) and in-house legal work, as reflected in the USA Bid Committee's financial statements and as further confirmed by Mr Downs in his testimony (Downs Transcript, p. 21).

The USSF also covered rent expenses for the USA Bid Committee, which amounted to approximately USD 60,000 during 2010 according to the USA Bid's financial statements attached to BDO's post-audit report (p. 8).

C. Reasons to Bid

The benefit to the growth of football in the United States, the knowledge and confidence of being able to stage a successful FIFA World Cup with reasonable effort given that most of the requisite infrastructure and facilities were already in place and an attractive and large commercial revenue market for FIFA were the main motivating factors behind the US Bid.

In this respect, Mr Downs noted in his testimony that the USA Bid Committee deemed the United States to be the most attractive and most capable of hosting the FIFA World Cup amongst the CONCACAF nations. The decision to bid was made on the assumption that

FIFA would continue with the continental rotation for the hosting of the FIFA World Cup, which is why the bid was focused on the 2018 FIFA World Cup (Downs Transcript, p. 8-9).

Mr Cordeiro testified that the United States' decision to bid was strategic in nature. Having the FIFA World Cup return to the United States after a successful competition hosted in 1994 was considered to be very beneficial to the growth of football in the United States, from a sporting as well as a commercial perspective. Furthermore, the USA Bid Committee felt that hosting the FIFA World Cup in the United States would benefit FIFA as much as it would benefit US soccer. FIFA could come to the largest commercial market in the world and thereby capitalise on its commercial broadcasting and sponsorship rights (Cordeiro Transcript, p. 9-10).

In addition, the USA Bid Committee considered that hosting the FIFA World Cup in the United States would involve little capital investments for infrastructure. In this regard, most of the infrastructure was, at the time the bid was submitted, already in place, such as stadiums, airports, transportation systems and other facilities (Cordeiro Transcript, p. 9).

On his part, Prof. Gulati confirmed that the most important reason to bid was that hosting the FIFA World Cup would be "a great way to further the development of the game in the United States". He was convinced that the United States could stage a spectacular FIFA World Cup, without "too much of a headache" (Gulati Transcript, p. 4).

Being eligible to do so, the USA Bid Committee initially bid for both the 2018 FIFA World Cup and the 2022 FIFA World Cup. According to the testimonies of Prof. Gulati, Mr Cordeiro and Mr Downs, it became clear at some point in the process that the principle of the continental rotation previously adopted by FIFA for the hosting of a FIFA World Cup would be dropped and that the 2018 FIFA World Cup would go to a European country (Gulati Transcript, p. 5-6; Cordeiro Transcript, p. 10-11; and Downs Transcript, p. 9).

Prof. Gulati confirmed that from a tactical perspective, it made sense for the USA Bid Committee to withdraw its bid for the 2018 FIFA World Cup and to focus on the 2022 FIFA World Cup bid instead, since the USA Bid Committee had received signals from Mr Michel Platini – member of the FIFA ExCo and President of UEFA –that the USA Bid Committee's bid for the 2018 FIFA World Cup could compromise the support of the eight UEFA votes on the FIFA ExCo with regard to the 2022 FIFA World Cup vote (Gulati Transcript, p. 6).

Prof. Gulati, however, insisted in his testimony that there was no agreement between the USA Bid Committee and Mr Platini with regard to the eight UEFA votes to support the USA Bid Committee in its 2022 FIFA World Cup bid if the USA Bid Committee withdrew its bid for the 2018 FIFA World Cup (Gulati Transcript, p. 6).

The USA Bid Committee withdrew its bid to act as host nation for the 2018 FIFA World Cup in a letter dated 15 October 2010 (Encl. No 7: USABID000665) and confirmed its continued participation in the bidding process to host the 2022 FIFA World Cup.

D. Budget of the Bid

The post-audit report by BDO of the USA Bid Committee's financial statements shows the following statement of activities (Encl. No 6):

	(Liquidation Basis)			For the Period from January 9, 2009		
	For the Year Ended December 31, 2010			(date of inception) to December 31, 2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue						
Contributions	\$ 777,992	\$ 1,520,000	\$ 2,297,992	\$ 583,740	\$ 471,457	\$ 1,055,197
U.S. Soccer Federation contribution	-	4,552,934	4,552,934	-	-	-
In-kind contributions	1,397,677	-	1,397,677	-	-	-
Net assets released from restrictions	251,557	(251,557)	-	-	-	-
Total revenue	2,427,226	5,821,377	8,248,603	583,740	471,457	1,055,197
Program Services						
Legal	2,119,655	-	2,119,655	7,475	-	7,475
Public relations	1,122,871	-	1,122,871	744,078	-	744,078
Venue	341,037	-	341,037	187,702	-	187,702
Government relations	326,747	-	326,747	123,333	-	123,333
Total program services	3,910,310	-	3,910,310	1,062,588	-	1,062,588
Management and General Expenses						
Staffing	1,025,348	-	1,025,348	658,327	-	658,327
Office occupancy	241,437	-	241,437	172,323	-	172,323
Travel	978,503	-	978,503	154,388	-	154,388
Events	412,246	-	412,246	4,428	-	4,428
Material preparation	621,656	-	621,656	2,425	-	2,425
Other	50,602	-	50,602	9,318	-	9,318
Total management and general expenses	3,329,792	-	3,329,792	1,001,110	-	1,001,110
Total expenses	7,240,102	-	7,240,102	2,063,698	-	2,063,698
(Decrease) Increase In Net Assets (Deficit)	(4,812,876)	5,821,377	1,008,501	(1,479,958)	471,457	(1,008,501)
Net Assets (Deficit), beginning of period	(1,479,958)	471,457	(1,008,501)	-	-	-
Net Assets (Deficit), end of period	\$ (6,292,834)	\$ 6,292,834	\$ -	\$ (1,479,958)	\$ 471,457	\$ (1,008,501)

The USA Bid Committee's budget of USD 8.25 million (reflected as revenue in the above statement of activities, primarily consisting of contributions from various football organisations and founding club members) was further confirmed by the testimonies of Prof. Gulati, Mr Cordeiro and Mr Downs (Gulati Transcript, p. 3; Cordeiro Transcript, p. 6; Downs Transcript, p. 6).

The USA Bid Committee's statement of cash flow attached to BDO's post-audit report further shows that the USA Bid Committee's net cash available to provide the operating

activities decreased from USD 814,740 available at its inception to USD 132,182 available as per 31 December 2010, i.e. a decrease (or use of moneys in the amount) of USD 682,558.

The financial statements presented in the post-audit report are represented to be a fair representation of the financial position of the USA Bid Committee on 31 December 2009 and 2010.

E. Government Support of the US Bid

According to the witnesses' testimonies, the US Bid received no funding from the US Government. However, the US Government did offer its general support to the USA Bid Committee in its efforts to host the FIFA World Cup in the United States.

In his testimony, Mr Downs confirmed that the USA Bid Committee received no government funding (Downs Transcript, p. 25). The same was confirmed by Mr Cordeiro (Cordeiro Transcript, p. 5). However, the bid to host the FIFA World Cup was supported by the United States Government, as expressly confirmed by President Barack Obama in two letters sent to FIFA President Joseph S. Blatter on 17 March 2009 (Encl. No 8: USABID000799-800) and 20 October 2010 (Encl. No 9: USABID000661), respectively.

The United States government collaborated with FIFA in relation to the various government guarantees FIFA required the host country to provide. Such government guarantees were provided by the United States Government as part of the US Bid. However, the US Government was not ready and/or not able to meet all of FIFA's requirements in relation to the government guarantees.

The 2022 FIFA World Cup™ Bid Evaluation Report (Encl. No 10: "Bid Evaluation Report", p. 4) also confirmed that the US Bid was supported by the national and local football authorities, the local city governments and the stadium authorities.

President Obama welcomed FIFA representatives twice at the White House. In July 2009, President Obama met with FIFA President, Joseph S. Blatter, FIFA Secretary General, Jérôme Valcke and with then FIFA ExCo Member Mr Jack Warner, and in November 2010 President Obama met with FIFA ExCo Member Mr Issa Hayatou.

In addition, the US Government was officially represented through Attorney General, Mr Eric Holder, when the hosting nations for the 2018 and 2022 FIFA World Cups were appointed in Zurich in 2010.

Finally, former President Bill Clinton served as the Honorary Chairman of the USA Bid Committee in active support of the US Bid.

F. Support of the US Bid through private persons/entities

On the basis of the USA Bid Committee's financial statements attached to BDO's post-audit report, nearly USD 3.7 million out of the total USD 8.25 million budget of the USA Bid Committee was financed by private donations. No documentary information was made available on the identity of the private donors. However, Mr Cordeiro testified (Cordeiro Transcript, p. 5) that apart from the USSF, various corporate entities, sponsors and Major League Soccer all supported the bid financially. Mr Downs also noted in his testimony (Downs Transcript, p. 21) that roughly half of the USA Bid Committee's budget was financed by private donations.

Other than the involvement of the US Government officials and the persons on the USA Bid Committee (and with the exception of Mr Chuck Blazer, see section V.C. below), no further information on any support of private persons/entities of the USA Bid Committee was made available.

3. EVALUATION OF THE US BID

As a preliminary remark, the FIFA Evaluation Group was led by Mr Harold Mayne-Nicholls and was composed of various members of the FIFA Administration. Mr Danny Jordaan, CEO of the South Africa Bid for the 2010 FIFA World Cup South Africa™ and subsequently of the 2010 LOC South Africa, was included a few months later in the delegation as Technical Advisor (Encl. No 11: Jordaan Transcript, p. 23-24.). The purpose of the Bid Evaluation Report is to evaluate the information provided by all Bidders in the Bidding Documents, to indicate the extent to which the requirements have been fulfilled and to identify potential gaps and risks in respect of FIFA's requirements for hosting a FIFA World Cup™ (Enclosure No 10, p. 3).

The 2022 FIFA World Cup™ Bid Evaluation Report for the United States bid (Encl. No 10) considered that hosting the 2022 FIFA World Cup in the United States posed a medium risk for FIFA.

The US bid was considered to offer flexibility in terms of city infrastructure, stadiums and facilities. The Bid Evaluation Report noted the considerable experience of the United States to host large-scale national and international sporting events and that the US bid met FIFA's requirements on accommodation, transportation infrastructure, information technology infrastructure and standards for major event safety and security measures.

However, the Bid Evaluation Report also observed that the guarantees, undertakings and confirmations (as set forth in the Government Guarantees, Government Declaration and the Government Legal Statement) in the form required by FIFA were not given by the US Government and that FIFA's rights protection programme could not be assured. More specifically, the Bid Evaluation report noted the US Bid as having a Medium Risk for Government Guarantees, Overall legal risk (Overview of legal evaluation) and Ground Transport (Operational risk) (cf. Encl. No 10: Bid Evaluation Report, p. 39-40).

4. INVESTIGATIONS

A. Steps undertaken by the Investigatory Chamber of the FIFA Ethics Committee

In order to obtain information about the USA Bid Committee's conduct of the bidding process for the 2018 and 2022 FIFA World Cups, the Investigatory Chamber of the FIFA Ethics Committee led by its Deputy Chairman, sent a request to the USA Bid Committee via the USSF dated 6 March 2014, asking for a variety of documents (Encl. No 12).

Letters requesting further information and clarification of documentation received were sent by FIFA to the USA Bid Committee via the USSF dated 2 May 2014 (Encl. No 13a) and 16 May 2014 (Encl. No 13b).

In addition, the Investigatory Chamber of the FIFA Ethics Committee conducted interviews with Prof. Sunil Gulati – Chairman of the USA Bid Committee, Mr Carlos Cordeiro – Vice Chairman of the USA Bid Committee, as well as with Mr David Downs – Executive Director of the USA Bid Committee. Furthermore the Investigatory Chamber analysed all available documents and lead interviews with other involved persons.

B. Documents and Information submitted by the USSF

As a preliminary remark, it should be noted that the USSF actively cooperated and replied to all requests by submitting extensive documentation to the Investigatory Chamber of the FIFA Ethics Committee.

The USSF has readily cooperated with FIFA as required under the Bid Registration requirements for the 2018 and 2022 FIFA World Cups. In letters dated, 6 May 2014, 12 May 2014, 16 May 2014 and 23 May 2014 (Encl. 14a-d), the USSF has submitted a variety of written documentation in response to the documentation and clarification

requests from the Investigatory Chamber of the FIFA Ethics Committee. Specific documents mentioned in the report are referenced by indication of the document number provided by the USSF as follows: USABID[document number].

Additionally, Prof. Sunil Gulati, Mr Carlos Cordeiro and Mr David Downs made themselves available for interviews and answered all questions asked by the Deputy Chairman of the FIFA Ethics Committee. The statements made in their testimonies are referenced in this report as follows:

Gulati Transcript p. [page number] – for Prof. Gulati;

Cordeiro Transcript p. [page number] – for Mr Cordeiro; and

Downs Transcript p. [page number] – for Mr Downs.

5. FINDINGS OF THE INVESTIGATIONS

A. Collusion with another Bid Committee

In accordance with FIFA Circular No. 5 dated 23 September 2010 (Encl. No 15) and clause 11.5 of the Bid Registration (Encl. No 16), a member association had to refrain from collaborating or colluding with any other member association or any other third party with a view to unfairly influencing the outcome of the Bidding Process. In particular, a member association and a bid committee were prohibited from entering into any kind of agreement with any other member association or bid committee as regards to the behaviour during the Bidding Process, and the manner in which and when a member association or bid committee bid for the FIFA World Cups or which may influence the Bidding Process.

The review of the documentation received from USSF does not reveal evidence of any collusion between the USA Bid Committee and any other bid committee or member association involved in the Bidding Process for the 2018 and 2022 FIFA World Cup with a view to unfairly influence the outcome of the bidding process.

None of the written communications or correspondence made available contained any indications that support a conclusion that the USA Bid committee attempted or succeeded in entering into any kind of agreement with any other member association or bid committee. In particular, based on the documentation provided, there are no written records of oral communications that may have taken place between the members of the

USA Bid Committee and any other representative of member associations or other bid committees throughout the entire Bidding Process.

On the other hand, Dr Mong Joon Chung, a FIFA ExCo member at the time of the Bidding Process who responded to written questions from the Investigatory Chamber of the FIFA Ethics Committee in the framework of its review of the Bidding Process, alluded to the fact that the United States might have attempted to influence member associations within the Asian Football Confederation (AFC) to support the USA Bid by starting false rumours relating to China's potential bid to host the 2026 FIFA World Cup (Encl. No 17: Dr Chung's written answers, p. 13-14). However, the Investigatory Chamber of the FIFA Ethics Committee does not have at its disposal any evidence corroborating the foregoing.

Furthermore, in his testimony (Gulati Transcript, p. 5-6) Prof. Gulati referred to a discussion he had had with UEFA where they made it clear to him that UEFA's eight votes on the FIFA ExCo gave them a significant advantage over CONCACAF's three votes to select the host nation for the 2018 FIFA World Cup. Prof. Gulati further noted that Mr Michel Platini, President of UEFA and a FIFA ExCo Member, had asked him to withdraw from the 2018 FIFA World Cup bid, otherwise, he would find it difficult to support the US Bid for the 2022 FIFA World Cup. While Prof. Gulati maintained, in essence, that there was no agreement between the USA Bid Committee and UEFA or Mr Platini, the USA Bid Committee nevertheless decided to withdraw its bid for the 2018 FIFA World Cup and focus instead on the bid for the 2022 FIFA World Cup. This decision was seemingly made for tactical reasons and given that throughout the Bidding Process, it had become clear that the 2018 FIFA World Cup would be awarded to a European country. The conduct of Mr Platini will be assessed together with the Overall Report and is not the subject of the present investigation and report.

Prof. Gulati further explicitly referred in his testimony (Gulati Transcript, p. 30-31) to agreements that might have been in place between participating countries for the 2018 and 2022 FIFA World Cups, such as between Spain and Qatar.

There is no evidence in this record that would indicate that the US Bid Committee engaged in any conduct aimed at influencing the Bidding Process by colluding or collaborating with another bid committee, member association or FIFA ExCo Member.

B. Contact with FIFA ExCo Members and Compliance with Reporting Requirements to the FIFA Ethics Committee

FIFA informed the member associations and the bid committees participating in the Bidding Process for the hosting of the 2018 and 2022 FIFA World Cups of FIFA's new policy relating to interactions between a bidding association (including a bid committee),

and FIFA ExCo Members or a member association of a FIFA ExCo Member in the FIFA Circular No. 3 dated 7 July 2010 (Encl. no 18a). Starting from 7 July 2010, each direct or indirect contact and/or initiative of a bidding association (including the bid committees) with a FIFA ExCo Member or a member association of a FIFA ExCo Member had to be reported in advance and in writing to the secretariat of the FIFA Ethics Committee, whereby an explanation as to the reasons for the contact as well as any further information potentially affecting the Bidding Process needed to be provided.

The overview attached as enclosure number 18b hereto shows the contact made by the USA Bid Committee with FIFA ExCo Members that could be extracted from the documentation made available for review by the USSF.

With regard to the contact made by the USA Bid Committee with FIFA ExCo Members during the Bidding Process, the overview reveals the following:

- During the year 2009 and from March through June 2010, contact has taken place on several occasions between the USA Bid Committee and FIFA ExCo Members.
- This contact related to, amongst other things, the support of the USA Bid by President Obama, the visit of FIFA President Joseph S. Blatter, Secretary General Jérôme Valcke and then ExCo Member Mr Jack Warner to the White House, a visit of FIFA representatives to the New Meadowlands Stadium in New Jersey, (one of the stadiums that would host FIFA World Cup matches), and various meetings of representatives of the USA Bid Committee and FIFA ExCo Members (either in private settings or at congresses and conferences).
- In line with the FIFA policy at that time – i.e. prior to the issuance of FIFA Circular No. 3 dated 7 July 2010 – there was no requirement to report such contact to FIFA.
- Once the FIFA Circular No. 3 dated 7 July 2010 was issued, the USA Bid Committee submitted a total of eight letters reporting the contact it had made with FIFA ExCo Members. The majority of reported contact related to scheduling meetings between representatives of the USA Bid Committee and FIFA ExCo Members. From the documentation made available for review by the USSF, it is not clear whether or not in some instances the meetings took place.
- The letters of the USA Bid Committee reporting contact with FIFA ExCo Members did not contain any explanations as to the reason for approaching these FIFA ExCo Members, which was not in line with the requirements

stipulated by FIFA Circular No. 3 dated 7 July 2010, paragraph 6. However, the form of the USA Bid Committee's reporting of contacts with FIFA ExCo Members was approved by FIFA in an email sent on 6 August 2010 (Encl. No 19).

- No documentation or correspondence was provided by the USSF for review with regard to some of the contacts with FIFA ExCo Members the USA Bid Committee had reported to FIFA. Upon request, the USSF has confirmed, by means of a letter dated 23 May 2014 (Encl. 14d), that no documentation or correspondence has been found relating to these contacts.
- No reports to FIFA by the USA Bid Committee of contact after 7 July 2010 could be identified in the documentation made available by the USSF for review about birthday wishes to Mr Geoff Thompson; an invitation of FIFA ExCo Members to an NBA Live Event (Dr Michel D'Hooghe, Mr Geoff Thompson and Mr Michel Platini received "informal" invitations to attend, while Mr Issa Hayatou and Mr Angel Maria Villar Llona and Mr Junji Ogura were also mentioned as possible ExCo Members to invite. Based on the information received, it appears that none of these Members attended the event (Encl. No 20: USABID000752-753); correspondence regarding an invitation to the White House in November 2010, and the scheduling of a meeting with Mr Julio Grondona in Buenos Aires.
- Based on the documentation reviewed and the reports submitted by the USA Bid Committee to FIFA, the USA Bid Committee does not appear to have made contact with the member association of a FIFA ExCo Member.

When asked about the USA Bid Committee contacting FIFA ExCo Members during the Bidding Process, Prof. Gulati, Mr Cordeiro and Mr Downs all consistently testified that contact between the USA Bid Committee and FIFA ExCo Members during the Bidding Process had taken place.

Prof. Gulati testified that the USA Bid Committee contacted all FIFA ExCo Members and that he or Mr Cordeiro visited either 20 or 21 of the 24 FIFA ExCo Members in their home countries and further met with them at the Confederation Cup or the 2010 FIFA World Cup South Africa™. According to Prof. Gulati's testimony, in most cases, private meetings were arranged (Gulati Transcript, p. 13-14).

Prof. Gulati further confirmed that the USA Bid Committee was aware of the obligation to report to FIFA any such contact made by the USA Bid Committee with FIFA ExCo Members.

In an email sent by Prof. Gulati on 18 August 2010 to the FIFA ExCo Member Mr Senes Erzik, whom Prof. Gulati had contacted to schedule a meeting to discuss the US Bid, Prof. Gulati stated: "We are of course following FIFA's guidelines very carefully – and are reporting our proposed meetings (and in fact all of the relevant correspondence) to FIFA as requested" (Encl. No 21: USABID000618).

On his part, Mr Cordeiro stated in his testimony (Cordeiro Transcript, p. 5-7) that he and Prof. Gulati were responsible for the advocacy part of the US Bid, including reaching out to FIFA ExCo Members. Both Mr Cordeiro and Prof. Gulati had contact with the various FIFA ExCo Members during the Bidding Process. According to Mr Cordeiro's testimony, contact with FIFA ExCo Members occurred either at congresses or football events. Additionally, he and Prof. Gulati also visited many, but not all, FIFA ExCo Members, generally in their home countries. Mr Cordeiro further noted that the visits were made to discuss the US Bid, for the purpose of which the US Bid Committee had also prepared a short form presentation of the bid book, drawn up in different languages (Cordeiro Transcript, p. 19-20).

In relation to the USA Bid Committee making contact with FIFA ExCo Members, Mr Downs stated in his testimony (Downs Transcript, p. 15-17) that he attended all major events during the Bidding Process, i.e. two FIFA congresses, the CONCACAF congresses, the UEFA congress in 2009, the FIFA World Cup draw, the Confederations Cup and FIFA World Cup in South Africa and the final presentations of the bids to host the 2018 and 2022 FIFA World Cups, at each of which the USA Bid Committee had contacts with FIFA ExCo Members. Mr Downs also occasionally met with Mr Chuck Blazer on other social and business occasions. He also confirmed that the USA Bid Committee, predominantly through Prof. Gulati and Mr Cordeiro, attempted to schedule visits with almost all FIFA ExCo Members apart from the formal occasions mentioned above.

The documentation and the contact reports submitted by the USA Bid Committee to FIFA do not indicate that each FIFA ExCo Member was contacted by the USA Bid Committee as suggested by the testimonies of Prof. Gulati and Mr Downs. From the documentation available to the Investigatory Chamber, Mr Junji Ogura and Mr Worawi Makudi do not appear to have been contacted. Full compliance of the USA Bid Committee with the reporting requirements set out in FIFA Circular No. 3 dated 7 July 2010 can therefore not be completely confirmed based on the documents made available for review.

Furthermore, representatives of the USA Bid Committee, and in particular Prof. Gulati, were in recurring contact with both Mr Chuck Blazer and Mr Jack Warner, all three persons serving at the time as members of the Executive Committee of CONCACAF or as its Secretary General. In addition, Prof. Gulati was also serving as President of the USSF. The documentation made available for review contains a large number of email and other communications between these persons, albeit many of which appear to be unrelated to the US Bid, but instead, are linked to their positions on the CONCACAF Executive Committee or to Mr Sunil Gulati's role as President of the USSF.

FIFA Circular No. 3 dated 7 July 2010 states that: "each and every contact and/or initiative that a bidding association (including the relevant Bid Committees) makes (be it directly or indirectly) with a member of the FIFA Executive Committee or a member association of a FIFA Executive Committee member (be it directly or indirectly) shall be reported in advance and in writing to the secretariat to the FIFA Ethics Committee." Based on this wording, it is unclear whether contact made by a member of the USA Bid Committee and a FIFA ExCo Member unrelated to the US Bid, but rather made in connection with their positions in other sports organisations, was also intended to be subject to the reporting obligation contained in FIFA Circular No. 3 dated 7 July 2010. In favour of the addressees, Circular No. 3 has to be interpreted in a narrow way. In any event, the contents of such correspondence would not indicate any prima facie intent to unduly influence the Bidding Process.

C. Involvement of Mr Chuck Blazer in the US Bid

Mr Chuck Blazer was not a formal member of the USA Bid Committee. Upon request, the USSF further confirmed that Mr Blazer did not receive any payment or value in kind from the USA Bid Committee in exchange of any services he could have provided to the US Bid.

However, Prof. Gulati confirmed the USA Bid Committee's close ties with Mr Blazer as follows: "... our staff would have had a lot of contact with Mr Blazer, (...), since he's an American, (...), and he's a very close friend for, (...) 30+ years, (...), for me, and to David Downs, and to Mr Cordeiro for a shorter period of time." (Gulati Transcript, p. 16)

In line with this statement, the documentation provided by the USSF for review shows a large amount of email correspondence between Mr Blazer and Prof. Gulati, most of which does not appear to relate to the US Bid or the Bidding Process as such.

When questioned on the USA Bid Committee's relationship with Mr Blazer, Mr Downs noted the following: "..., Chuck, (...), you know, was our person on the ExCo, so we, we trusted him to report to us where appropriate, you know, the moods of, of people, and so on, but he didn't, he didn't serve on our board, he didn't sit in our staff meetings, (...) I, you know, I had a handful of conversations with him, but I wouldn't say they were, (...) you know, of, of extraordinary strategic value." (Downs Transcript p. 19-20)

Mr Downs further confirmed in his testimony that Mr Blazer was an ally, but not someone guiding the way of the US Bid, which was the responsibility of Prof. Gulati (Downs Transcript, p. 19).

Mr Cordeiro's testimony regarding the involvement of Mr Blazer in the US Bid corresponded to the testimonies of Prof. Gulati and Mr Downs. Mr Cordeiro described Mr Blazer's involvement as follows: "Chuck was not on the Bid Committee, obviously, because at the time he was an ExCo member. But obviously being an American, he was extremely friendly and supportive of the bid. (...) but unlike other, I would say, unlike other bids who had (...), a national on the ExCo, (...) Chuck was not involved in an executive capacity. (...) he [Chuck] was a friend and advisor, but in a very informal way. (...) But he never attended a bid committee meeting, he never was, (...), involved in our dress rehearsals, he wasn't – – in that sense he was completely hands off." (Cordeiro Transcript, p. 24-25).

Mr Cordeiro nevertheless noted that Mr Blazer was shown the US Bid's video presentation before it was formally presented to the FIFA ExCo and, given his familiarity with the FIFA ExCo, provided advice on how to best present the US Bid. This is confirmed by email correspondence between Mr Downs and Mr Blazer on 18 August 2010 (Encl. No 22: USABID000766), where it appears that Mr Blazer assisted in preparing the final presentation to the FIFA ExCo.

Notwithstanding his personal support of the USA Bid, Mr Cordeiro asserted that Mr Blazer did not pass on information to the USA Bid Committee that they had not already known (Cordeiro Transcript, p. 24).

Based on the information and documents submitted by the USA Bid Committee, there is no evidence in this record that Mr Blazer provided the USA Bid Committee with any confidential or other information that gave the USA Bid Committee an unfair advantage over the other bidding candidates.

D. Gifts and Coverage of Travel Costs for the benefit of FIFA ExCo Members

Chapter 11 on the Rules of Conduct of the Bid Registration stipulates that the member associations and the bid committees shall, amongst other things, refrain from providing any FIFA ExCo Member or the FIFA Inspection Group or any of their respective relatives, companions, guests or nominees:

- any monetary gifts;
- any kind of personal advantage that could give the impression of exerting influence, or conflict of interest, either directly or indirectly, in connection with the bidding process, such as the beginning of a collaboration, whether with private persons, a company or any authorities, except for occasional gifts that are generally regarded as having symbolic or incidental value and

that exclude any influence on a decision in relation to the bidding process;
and

- any benefit, opportunity, promise, remuneration or service to any of such individuals, in connection with the bidding process.

The overview attached as enclosure number 18b shows the gifts considered for or offered to FIFA ExCo Members by the USA Bid Committee or related parties that could be extracted from the information and documentation made available for review by the USSF.

In general, the gifts given by the USA Bid Committee appear to be of a rather symbolic or incidental value that should exclude any influence on the Bidding Process.

Ordinary gifts given by the USA Bid Committee to FIFA ExCo Members included the following:

- gift bags, which the USSF upon request confirmed to have consisted of a USA Soccer pin, a USA Bid Committee pin, a USA Bid Committee sticker and a USA Soccer Nike jersey (or similar clothing item);
- signed books of former US President Clinton;
- personal photos of the respective FIFA ExCo Member with former US President Clinton signed by the latter;
- USA hardcover photobook;
- USSF pens; and
- a special interest book on food for Mr Junji Ogura.

When asked about the kind of gifts the USA Bid Committee would offer, Mr Cordeiro confirmed that when meeting with FIFA ExCo Members, the USA Bid Committee did not offer any gifts other than those of a commemorative nature, such as a coffee table book or a ball point pen. On occasion, out of courtesy, the USA Bid Committee would pay for a meal with a FIFA ExCo Member, however, in most instances, the representatives of the USA Bid Committee were invited by the FIFA ExCo Members to lunch or dinner (Cordeiro Transcript, p. 20-21).

In relation to the USA Bid Committee's policy on gift distribution, Mr Cordeiro noted the following: "(...), we basically operated under what we felt were (...), you know, being U.S. nationals and representing the United States, we basically operated under the rules of, and the laws of the United States of America, which prohibit you know, a lot of the (...), the

things that were alleged to have been done by others. Expensive gifts and trips and bribes, to put it very bluntly.” (Cordeiro Transcript, p. 27)

Mr Cordeiro further observed that when the USA Bid Committee met with FIFA ExCo Members in the United States, no travel expenses were covered by the USA Bid Committee. This policy also applied to FIFA President Blatter and Mr Hayatou’s visits to the White House. Mr Cordeiro confirmed that the USA Bid Committee was very conscious of the rules relating to gifts and in particular, also referred to the familiarity of the USA Bid Committee with the US Foreign Corrupt Practices Act.

When asked about the gifts offered by the USA Bid Committee, Mr Downs testified that gifts could only be of a symbolic nature, but that there was no monetary limit imposed by FIFA for the value of a gift. Mr Downs further confirmed that the USA Bid Committee had purchased some “crystal baubles” from Tiffany’s valued at between USD 100-250, to be offered to FIFA ExCo Members. Receipts provided by the USA Bid Committee confirm that, rather than “crystal baubles”, five card cases valued at USD 175 each and six purse pens valued at USD 95 each were purchased from Tiffany’s to be distributed as gifts for FIFA ExCo Members. However, Mr Downs also observed that the overall budget of the USA Bid Committee for gifts was very low (Downs Transcript, p. 23-24).

Mr Downs further clarified in his testimony that, given its limited budget and lack of funding, the USA Bid Committee would not have been in a position, even if it wanted to, to purchase valuable gifts for the FIFA ExCo Members. In particular, he reconfirmed that the US Government did not provide any funding at all to the USA Bid Committee.

The testimony given by Prof. Gulati in this respect corresponded to the testimonies given by Mr Cordeiro and Mr Downs. Prof. Gulati noted that no FIFA ExCo Member received gifts from the USA Bid Committee with a value exceeding USD 150. Typically, the gifts offered were a picture book of the United States and a pen worth USD 65 (Gulati Transcript, p. 14-15 and p. 27).

Prof. Gulati further confirmed (Gulati Transcript, p. 17 and 23) that the USA Bid Committee did not cover any travel costs of FIFA ExCo Members when they came to the United States, such as FIFA President Blatter, Mr Hayatou and Mr Warner when they came to visit the White House.

The documentation and information made available for review does not – with one exception as it will be described below – contain any indications that any of the travel expenses or accommodation costs of FIFA ExCo Members were paid for by the USA Bid Committee.

Furthermore, the documentation includes internal email correspondence between representatives of the USA Bid Committee concerning gifts to be offered to FIFA ExCo

Members, which in several instances, contained a reference to the fact that gifts offered should not have any significant monetary value:

- "As we discussed last week, it wouldn't be appropriate to take "gifts" that have any monetary value" – Internal email of Mr Cordeiro of 6 September 2010 (Encl. No 23: USABID000754);
- "We are struggling on a physical gift that's both nice and relevant to our bid but doesn't cross the foul line." – Email of Mr Downs to Mr Cordeiro of 8 November 2010 (Encl. No 2420: USDBID000638);

Such internal documentation appears to support the testimonies given by Prof. Gulati, Mr Cordeiro and Mr Downs that the USA Bid Committee was aware of the rules on gifts and that they did not offer gifts, or attempt to offer gifts, with an aim to influence the Bidding Process.

In communications relating to the upcoming meetings with FIFA ExCo Members at the CONCACAF Executive Committee Meeting in Port-of-Spain, Trinidad, in September 2010, reference to items from Tiffany's and scarves for the wives of certain FIFA ExCo Members were mentioned (Encl. No 25: USABID000719; Encl. No 26: USABID000733). Upon request, the USSF confirmed that the scarves had a value of approximately USD 150 and the items from Tiffany's included five card cases valued at USD 175 each and six purse pens valued at USD 95 each. Receipts indicating the value for the Tiffany's items were submitted (Encl. No 27: USABID000797).

The above does not indicate that the US Bid Committee engaged in conduct whereby gifts were offered to FIFA ExCo Members and/or their relatives with a value exceeding what one would deem as symbolic in nature. In its letter of 23 May 2014 (Encl. 14d), the USSF expressly stated in this respect that it viewed "such items as standard protocol gifts given to delegations of National Associations and other dignitaries".

On the other hand, the documents made available by the USSF show that the USA Bid Committee, in one instance, covered the accommodation and incidental costs of Dr Michel D'Hooghe's stay in New York, when he was invited to attend the annual meeting of the Clinton Global Initiative in September 2010. Such costs amounted to a total of USD 2,343.11 (Encl. No 28: USABID000821-823). In a letter dated 22 August 2014 addressed to Prof. Gulati, the Investigatory Chamber of the FIFA Ethics Committee gave the US Bid Committee the opportunity to comment on the above-mentioned costs and in particular, why the US Bid Committee chose to cover them in this case (Encl. no 29a). Prof. Gulati responded on 25 August 2014 that neither the USA Bid Committee, nor the US Soccer Federation nor any third party paid for Dr D'Hooghe's airfare to and from the U.S. (Encl. no 29b). Prof. Gulati confirmed that the USA Bid Committee did cover Dr D'Hooghe's ground transportation and accommodation costs during his stay and he

explains, it was the USA Bid Committees' understanding that covering reasonable local ground expenses for visits from ExCo Members was permissible (Encl. no 29b). Prof. Gulati also mentions that he was informed by Mr Blazer that this was the standard practice when he was visiting bidding nations as an ExCo Member (Encl. no 29b). In the email exchanges attached to Prof. Gulati's letter (Encl. no. 29b), it seems that the US Bid team did not meet with Dr. D'Hooghe while he was present in New York on that occasion.

However, although the FIFA Rules of Conduct in force at the time did not expressly prohibit this type of expense by bidding candidates, the payment of expenses - at VIP levels - by the bid team for an ExCo member to attend a high-profile event that was not related to the bidding process (although hosted by a high-profile advocate for the bid, former President Clinton), at a minimum, raises an appearance problem and could be considered as a gift under the description of the Rules of Conduct of the Bid Registration (Encl no 1). In any case, the circumstances surrounding this benefit given to Dr. D'Hooghe should be read in conjunction with the assessment of his other conduct found in the Overall Report, see Part XII. With respect to the members of the US Bid Committee involved in this activity, it shall be consistent with the approach taken in the Overall Report.

In addition, after following-up on a comment made by Mr Harold Mayne Nicholls, Chairman of the FIFA Evaluation Group for the 2018 and 2022 FIFA World Cup™ bids, within the frame of the whole investigations, about receiving an iPad from several bid committees, including the USA, the USA Bid Committee confirmed that six iPads containing relevant information about the host cities in the USA were distributed to members of the technical tour during their visit (23 May 2014 letter to FIFA, Encl. no 14d). The receipt provided indicates that each iPad was valued at USD 589 (Encl. No 30: USABID000854-857). The USSF added, in its letter dated 23 May 2014 (Encl. no 14d), that "the cost of the iPads was similar to the costs that would have been incurred for printing a professional technical book and that "[i]t is unknown if the iPads were returned to the USA Bid Committee upon conclusion of the technical tour". Again, this expense can be deemed acceptable and proportionate under the FIFA Rules of Conduct in force at the time, even more so in this instance as the iPads were used as a working tool instead of a printed technical book. However, see recommendations for gifts and other issues related to independent evaluation teams in the Overall Report Part XVI.

Therefore, the nature and value of the gifts and benefits generally offered by the USA Bid Committee during the Bidding Process and the awareness and concern of the USA Bid Committee reflected by internal USA Bid Committee correspondence as to their gifts not having any monetary value, would indicate that the USA Bid Committee did not engage in any conduct of giving away gifts or providing benefits to FIFA ExCo Members in an attempt to improperly influence a decision on the Bidding Process.

E. Friendly matches

The overview attached as enclosure number 31 hereto shows the matches reflected in the documentation made available for review, which were either played with the participation of a US national team and/or played on US soil between 29 October 2009 and 29 March 2011.

This overview highlights the difference between two kinds of friendly matches: friendly matches played on US soil without the participation of a US national team and friendly matches with the participation of a US national team (in the United States or outside).

i. Friendly matches on US soil without participation of a US national team

With regard to friendly matches in the United States without any US national team participating, the documentation made available shows that such matches appear to have been organised by third parties without an apparent link to the USSF or the USA Bid Committee. The involvement of the USSF appears to have been limited to the formal approval to host international matches in the United States. Such approval was given on the basis of what appears to have been the standard agreement of the USSF for the hosting of matches by third parties in the United States.

The principal financial provision contained in this standard agreement provides for a commission payment to be made to the USSF amounting to 11.25% of the first USD 200,000 and 15% of the balance of the gross gate receipts in excess of the USD 200,000. From this amount, the USSF then forwarded the requisite commission entitlements to CONCACAF and FIFA.

Since this set-up provides for an inbound payment obligation by the host towards the USSF and not an outbound payment obligation by the USSF to a third party, the friendly matches organised on the basis of this type of agreement do prima facie not raise any concerns of possibly serving as a means for the USA Bid to make indirect contributions to third parties with a view to influencing the decisions in the Bidding Process.

ii. Friendly matches with participation of a USA national team

The following matches were played with a US national team participating as an opponent (in the United States and outside):

- Germany vs. US (women's national team) in Germany in October 2009;
- US vs. Germany (women's national team) in the US in May 2010;

- The two women's national team matches with Germany were organised on a reciprocal basis, i.e. the hosting and match terms applied equally to the respective hosting nation. Benefits and burdens were therefore allocated equally to both participating nations. In addition, the matches appear to have served as preparation for the 2011 FIFA Women's World Cup that took place in Germany;
- US vs. Turkey (men's national team) in the US in May 2010;
- No appearance fee contractually due for the men's national team of Turkey. Broadcasting rights granted for the territory of Turkey only;
- US vs. Brazil (men's national team) in the US in August 2010;
- No appearance fee contractually due for the men's national team of Brazil. However, beneficial revenue share and broadcasting rights granted to the Brazil representative (a share of 65% of the first USD 3,9 million in net profit, a share of 50% of any net profit in excess of USD 3,9 million; worldwide broadcasting rights);
- US vs. Argentina (men's national team) in the US in March 2011;
- Appearance fee of USD 1 million contractually due for the men's national team of Argentina paid by US Soccer. Broadcasting rights granted for the territory of Argentina only;
- US vs. Paraguay (men's national team) in the US in March 2011;
- Appearance fee of USD 150,000 contractually due for the men's national team of Paraguay paid by US Soccer. Broadcasting rights granted for the territory of Paraguay only.

The commercial terms reflected above appear to be in line with the standard fees paid for such competitions.

In particular, payment of an appearance fee of USD 150,000 for the men's national team of Paraguay does not appear to be excessive. In this respect, the documentation made available for review shows that in the course of the contractual negotiation process, the appearance fee first requested for the participation of the Paraguayan men's national team ranged between USD 200,000-250,000, which the USSF did not agree to pay.

Similarly, the payment of an appearance fee of USD 1 million for Argentina's national team and a 50% revenue share on the game's net profits and the granting of a favourable revenue share and broadcasting deal for the participation of Brazil's national team do not raise concerns relating to friendly matches being used to indirectly make contributions to third parties aimed at influencing the Bidding Process. Based on the testimony of Prof. Sunil Gulati (Gulati Transcript, p. 19), the appearance fee for the men's national teams of Argentina and Brazil ordinarily range between USD 1-3 million.

Given the above, the payment arrangements agreed to by the USSF in connection with the friendly matches played in the period between October 2009 and March 2011 do not appear to contain terms which could lead to the conclusion that these arrangements served as a means to influence the Bidding Process.

F. Use of political influence to support the US Bid

The USA Bid Committee engaged former and past government officials in its campaign to host the FIFA World Cup.

In a letter dated 17 March 2009 (Encl. No 8) addressed to FIFA President Joseph S. Blatter and Prof. Gulati, President Barack Obama expressed his support of the US Bid to host the FIFA World Cup. In addition, President Obama twice received FIFA representatives and/or FIFA ExCo Members at the White House: once in July 2009 where President Obama met with FIFA President Joseph S. Blatter, Secretary General Jérôme Valcke, and then FIFA ExCo Member Mr Jack Warner, and in November 2010 when President Obama met with FIFA ExCo Member Mr Hayatou.

When asked about the US Government's support of the US Bid, Mr Cordeiro commented on the support given by President Obama by emphasising that the US President met with a handful of FIFA representatives even though 2010 was an election year and that the United States is, at any given time, in the midst of a million crises (Cordeiro Transcript, p. 13).

In his testimony relating to this question, Prof. Gulati described President Obama's dedication to the US Bid as follows: "...when we took the President of FIFA and the general secretary and Mr Warner into the White House, this wasn't for a handshake. This was for a 30 minute meeting with the President of the United States in his first six months in office when he was considered, you know, the next Nelson Mandela (...) that's not normal." (Gulati Transcript p. 36)

The support of the US Bid by President Obama was therefore evident. Although President Obama welcomed FIFA representatives to the White House on two occasions, the documentation reviewed suggests that no travel or other costs incurred by the FIFA

representatives or FIFA ExCo Members in connection with such visits were covered by the USA Bid Committee or the US Government, other than minor services such as pick-up services from the airport. This was also expressly confirmed by the testimonies of Prof. Gulati and Mr Cordeiro (Gulati Transcript, p. 17; Cordeiro Transcript, p. 21).

While the support of President Obama and the two meetings with FIFA representatives and FIFA ExCo Members at the White House certainly had an impact, as noted elsewhere in these reports, it was a widespread practice to engage government officials in promoting the advantages of the nation's bid (see Russia Bid Report, p. 29-31). Moreover, as noted in those sections, such conduct was not prohibited by the rules nor does it appear that it was aimed at providing ExCo members with inappropriate benefits.

In addition to the support of President Obama, the US Bid was actively supported by former US President Bill Clinton, who served as the Honorary Chairman of the USA Bid Committee, which could also include a political component, in particular since his wife, Mrs Hillary Rodham Clinton, was acting Secretary of State of the United States at that time. Dr Michel D'Hooghe, Mr Reynald Temarii and Mr Michel Platini were invited to meetings in the presence of former President Bill Clinton, in particular, to his Global Initiative event, amongst which Dr D'Hooghe attended. In addition, several FIFA ExCo Members attended a breakfast reception in South Africa organised and paid for by the USA Bid Committee and attended by Mr Clinton. The FIFA ExCo Members on the attendee list provided by the USA Bid Committee were: Mr Senes Erzik; Mr Issa Hayatou; Mr Jacques Anouma; Mr Angel Maria Villar Llona; Dr Chung Mong-Joon; Dr Nicolas Leoz and Mr Julio Grondona. Other attendees included Mr Tai Nicholas (OFC); Mr Mustapha Fahmy (CAF); Mr Eduardo de Luca (CONMEBOL) and the wives of FIFA ExCo Members Mr Hany Abo Rida and Mr Rafael Salguero.

However, with regard to any potential influence that could have been exerted on Mrs Rodham Clinton via former US President Clinton with a view to the United States politically intervening in, or influencing the Bidding Process, Prof. Gulati testified as follows: "..., we had the former President of the United States as an honorary chairman of our bid committee. His wife was the Secretary of State of the United States. If I had said to him, could you please, this year, ask Mrs Clinton to move our USD 5 million USAID project from country A to B, because they're both poor African countries, for example, but B happens to be where there's a voter, and he happens to be involved in the government and take some credit for this, he would have laughed at me, resigned from our organizing committee, and said, you're an idiot." (Gulati Transcript, p. 29)

Given the above, the impact of US politicians involved in the Bidding Process and/or actively supporting the US Bid cannot be excluded. However, there are no indications in the documentation reviewed and the testimonies given that would reasonably lead to the conclusion that the USA Bid Committee attempted to unduly influence the Bidding Process by involving reputable and widely known politicians. In that respect, it would not appear

that the support granted by the US government, and in particular President Obama, to the US Bid could objectively be seen as excessive. In addition, no violation of the FIFA Rules of Conduct are apparent in this context, since, notwithstanding the US Government's support of the US Bid, the documents reviewed do not show any activity of the US Government which may have been aimed at influencing the Bidding Process, e.g. by means of granting development-related benefits (see hereinafter).

G. Development-related benefits directed at the Bidding Process

The USSF has confirmed upon request that there have been no material changes to its development projects pre and post the Bidding Process for the hosting of the FIFA World Cup.

When asked whether the USA Bid Committee or the United States government had complied with the rules on football related development projects in conjunction with the Bidding Process, Prof. Gulati testified as follows: "We didn't do anything in any country, we didn't propose anyone any development assistance whatsoever, we didn't write a check, we didn't send 1,000 balls, we didn't send technical assistance in any way, shape or form related to our bid." Prof. Gulati further confirmed that the same was true for US Government proposed or sponsored development projects (Gulati Transcript, p. 28-29).

When asked, Mr Cordeiro explained that the USSF and the US Government had ongoing development projects supporting both disadvantaged communities within the United States as well as in developing countries. In particular, the USSF was also carrying out development projects on behalf of CONCACAF, considering that the United States and Mexico are the largest countries within CONCACAF with the biggest budgets. However, in relation to development projects specifically designed for the Bid Process, Mr Cordeiro stated: "... we were not going to (...), countries that had an ExCo member and offering financial assistance, you know, in exchange for support. That never happened." (Cordeiro, Transcript p. 29).

The documents made available for review do contain some correspondence relating to development projects or other kinds of assistance that the US was providing to third parties:

- Communications between the United States and Mexico relating to a friendly match between their respective men's national teams with proceeds going to the victims of the natural catastrophe in Haiti (Encl. No 32: USABID000442 and 564). However, such friendly match appears to not have been held in

the end due to what seems to have been scheduling problems between US and Mexican TV stations.

- Communications between Mr Sunil Gulati, Mr Jack Warner and Ms Hema Ramkisson (of Trinidad and Tobago) regarding US assistance and advice for Trinidad and Tobago relating to marketing issues in connection with Trinidad and Tobago hosting the U-17 Women's World Cup – Email correspondence of 2 July 2009, 13 July 2009 and 22 July 2009 (Encl. No 33: USABID000452-453).
- Email correspondence between Mr Jack Warner and Mr Sunil Gulati relating to a scholarship for a young footballer. In such correspondence, Prof. Gulati merely pointed out that whether a scholarship could be granted depended on the young footballer's qualities and suggested that somebody could come by to evaluate him – Email correspondence of 30 January 2010 (Encl. No 34: USABID000471).
- Prof. Gulati and Mr Warner further corresponded by email in relation to certain development projects discussed between USSF and CONCACAF representatives in Port-of-Spain, Trinidad and Tobago. These projects concerned (i) local support for a training camp of Guyana's women's national team in preparation for the CONCACAF Women's World Cup qualifier, and (ii) help with regard to soccer apparel, shoes and balls for 350-400 children for the Bahamas FA – Email correspondence of 1 October 2010 (Encl. No 35: USABID000491).
- Email correspondence between Prof. Gulati and Mr Warner relating to what support had been organised for Haiti thus far. Such support included (i) payment of USD 119,120 matching the international games fees paid to FIFA relating to the United States' two send-off series games, (ii) a donation of approximately 300 balls sent to Haiti, (iii) donation of Nike shoes and gear to the Haitian U-17 team, (iv) ongoing discussions regarding a turf field – Email correspondence of 1 October 2010 (Encl. No 35: USABID000491).
- CONCACAF internal email correspondence with Mr Sunil Gulati relating to the provision of 150 rain jackets to Port-of-Spain – Email correspondence of 15 September 2010 (Encl. No 36: USABID000710).

The email correspondence referred to in the last two bullet points was sent with Prof. Gulati's signature line of CONCACAF. It therefore appears that such correspondence does

relate to Prof. Gulati's and Mr Warner's positions as members of the Executive Committee of CONCACAF at that time. Based on the contents of the communications and the positions of Prof. Gulati and Mr Warner at CONCACAF, it would also appear that the correspondence between Prof. Gulati and Mr Warner referred to in the first three bullet points above would relate to their work for CONCACAF as well. None of the correspondence mentioned above contains any reference or indication of being linked to the US Bid or the Bidding Process in general.

On the basis of the above and the testimonies given by the interviewees, it does not appear that the USA Bid Committee or the US Government launched development projects or offered other kinds of assistance with a view to influencing the Bidding Process.

This is further confirmed by the contents of the US Bid Book, as far as Football Development or Sustainable Social and Human Development are concerned. Indeed, and although the US Bid mentions in its Bid Book its willingness to develop some of its projects on an international level (a.o. within the CONCACAF region or on the African continent), there is no evidence that the US Bid would focus and develop projects in a specific country of which a FIFA ExCo Member would be a national in order to try to influence the Bidding Process. On a side note, the Bid Evaluation Report underlines the good proposals of the US Bid on how to contribute to football development and, in line with the US Bid Book, makes no reference to any specific country on which those projects would have been focused.

H. Concerns & Recommendations from members of the US Bid Committee

The members of the US Bid Committee suggested the following main areas for reform of the bidding process to host the FIFA World Cup:

Prof. Gulati

- No visits by FIFA ExCo Members or voting persons to participating countries, same as implemented by the International Olympic Committee 15 years ago.
- In this context, Prof. Gulati suggested not to expand the decision on the hosting of the FIFA World Cup to 209 member associations, since this would make monitoring for compliance almost impossible. Furthermore, this would also make it impossible to comply with the "no visit" rule Prof. Gulati suggested, given the number of friendly games and qualifying games being

played and also considering visits of FIFA ExCo Members to these countries for private purposes.

- Transparent voting, regardless of whether 209 member associations or the FIFA ExCo Members vote.
- Introduction of clear wording on the provision of gifts. Prof. Gulati suggested avoiding the use of ambiguous terms such as “customary” and “normal”, which have different meanings in different countries. A way to implement this could be a limit on the bid committees’ budgets, which should also extend to any third parties somehow related to the bid.
- More weight should be given to a bid country’s ability to meet the technical requirements of hosting the event as well as giving more importance to the bid books submitted and the inspection visits to the bidding countries. Prof. Gulati explained that the inspection report must have more weight. In particular, the bidders clearly need to know what the technical requirements and rules are and bids not meeting the technical requirements and rules should not be permitted to further participate in the bidding process. The objective criteria to be met by a bidding nation must have the same weight as the subjective criteria.
- Clear and straightforward instructions as to the basis and criteria for the decision-making and how each criterion will be weighted. If the idea is to award the FIFA World Cup to countries or areas that have never before hosted a FIFA World Cup or if such particular criterion will be heavily weighted in the decision-making process, then this fact should be announced prior to commencement of the bidding process. Prof. Gulati noted that this would ensure that potential candidates are able to make an informed decision on whether or not to participate in the bidding process. Similarly, Prof. Gulati suggested that if a candidate is allowed to fulfil a technical requirement by the time the FIFA World Cup will be hosted, even if it is unable to do so at the time of bidding, for example, relating to the availability of hotel rooms, then this should be clearly stated from the very beginning of the process to ensure that the potential candidate countries know, ex ante, the relevant criteria and can make an informed decision whether or not to participate.

Mr Cordeiro

- Counterproductive reforms undertaken so far in relation to the bidding process. A decision to award the hosting of the FIFA World Cup should not be a popularity contest but would need to be made by persons that have been educated about the various bids. This education process would involve a huge exercise of logistics and costs, in particular, with 209 voting member associations, since the voting persons would need to travel to all bidding countries and be educated on the respective bids. In that respect, Mr Cordeiro considered the reforms already undertaken as counterproductive.
- Lack of weight given by the voting persons to the conclusion made by the evaluation commission. Mr Cordeiro suggested that FIFA adopt a similar approach to the one used by the International Olympic Committee, by noting: "...they invite bids from whomever and then their Evaluation Committee Commission essentially ranks the bids and certain bids they disqualify because they're not qualified. Whether it's for money or logistics or guarantees or weather or whatever." (Cordeiro Transcript, p. 34).
- Strict enforcement of rules on gifts: Mr Cordeiro submits that clear rules on gifts must be established and that strict enforcement policies must be put in place. If the code of conduct in this respect is violated, a meaningful penalty must be imposed.
- Establishing a sub-committee of the FIFA ExCo to select the FIFA World Cup host nation. Mr Cordeiro suggests establishing a sub-committee of the FIFA ExCo, which should consist of members whose member association and confederation do not participate in the bidding process. The review of the bids and the selection of the host country for the FIFA World Cup should then be undertaken by such sub-committee, possibly subject to ratification by the full FIFA ExCo or the Congress. A system similar to the one adopted by the International Olympic Committee.

Mr Downs

- No submission of the vote to the entire Congress. If the ethical conduct of 25 voting persons cannot be sufficiently monitored and controlled, Mr Downs suggested that this will be even more difficult with 209 voters.

- Determining minimum requirements that must be met by host countries, e.g. in terms of size, weather, existing facilities etc. Mr Downs proposed that if such requirements are not met, the bidding country must be disqualified from the bidding process.
- Full transparency and making the vote public, as a deterrent against collusion tactics from bidding nations.
- Introduction of a monetary limit for gifts and prohibiting development projects specially designed and undertaken with a view to influencing the bidding process.

In this context, a reminder that the final recommendations from the Investigatory Chamber on how to improve the bidding process will be mentioned in the main report.

6. CONCLUSION

This report on the USA Bid Committee and the following conclusions are based on the documentation available to the Investigatory Chamber of the FIFA Ethics Committee. If any new evidence or allegations are communicated to the Investigatory Chamber of the FIFA Ethics Committee following the publication of this report, they will be reviewed and analysed in a future report.

Based on the documents made available for review by the USSF and the testimonies made by Mr Sunil Gulati, Mr Carlos Cordeiro and Mr David Downs, and other connected or involved people the following conclusions can be drawn:

1. No collusion of US Bid with another bid committee or member association

There are no indications that the USA Bid Committee has engaged in conduct aimed at colluding or collaborating with another member association or bid committee to influence the Bidding Process.

2. Compliance with reporting requirements on contact made with FIFA ExCo Members

Full compliance of the USA Bid Committee with the reporting requirements set out in FIFA Circular No. 3 dated 7 July 2010 cannot be completely confirmed based on the documents made available for review and the analysis of the interviews with involved people.

Nevertheless, the fact that the USA Bid Committee, at least in principle, kept the FIFA Ethics Committee abreast of its contact with FIFA ExCo Members suggests that the USA Bid Committee did not attempt to unduly influence the Bidding Process by contacting FIFA ExCo Members.

3. No violation of FIFA Rules of Conduct on gifts, grant of benefits or development assistance

The policy on gifts adopted by the USA Bid Committee appears to have been in line with the FIFA Rules of Conduct.

Based on the FIFA Rules of Conduct in force at the time, the gifts and benefits made available by the USA Bid Committee, as reflected in the documents reviewed, were limited to gifts and benefits of a symbolic nature and do not seem to have been aimed at influencing the Bidding Process.

As noted above, one area of concern in this regard was the payment of Dr. D'Hooge's expenses related to his trip to a conference on global warming. From this record, it does not appear that this trip was related to the merits of the bid and would seem to be a benefit provided to Dr. D'Hooge. See Overall Report Part XII.

Similarly, the documents made available for review by the USSF did not contain any indications that development assistance or other benefits were offered and/or granted by the USA Bid Committee, the USSF or the US Government specifically directed at the Bidding Process or aimed at influencing such process. No football matches played with the participation of a US national team and/or on US soil, for which documents were made available for review, showed uncustomary terms raising concerns of indirect benefits being made thereby.

Nor does the political support of the US Bid by the US Government, as determined by a review of the documents submitted, appear to have been excessive in a manner that would signal that any undue political interference or influence on the Bidding Process occurred.

Based on this report, on the information and documentation collected and in view of the foregoing conclusions, we are of the opinion that no further investigatory steps and no opening of investigatory proceedings against any of the members of the USA Bid Committee is warranted, except for the payment of accommodation and incidental costs by the US Bid Team to Dr Michel D'Hooghe during his stay in New York for the annual meeting of the Clinton Global Initiative in September 2010 (cf. page 21-22 of this Report), which needs to be evaluated and be consistent with the approach taken in the Overall Report.

Table of Contents:

Enclosures US Report

No	Document
1	Rules of Conduct
2	a. Gulati Transcript Part 1 b. Gulati Transcript Part 2
3	Cordeiro Transcript
4	Downs Transcript
5	Letter from FIFA to ExCo re Franklin Jones 01.10.2010
6	USA_Audit
7	US withdrawal from 2018 bid 15.10.2014
8	USABID000799-800 Letter from Obama to Blatter and Gulati 17.03.2009
9	USABID000661 Letter from Obama to Blatter 20.10.2010
10	US Bid Evaluation Report
11	Jordaan Transcript
12	Letter_06.03.2014 Ethics to US Soccer
13	a. Letter_02.05.2014 Ethics to USSF b. Letter_16.05.2014 Ethics to USSF
14	a. Letter from US Bid_06.05.2014 b. Letter from US Bid_12.05.2014 c. Letter from US Bid_16.5.2014 d. Letter from US Bid_23.05.2014
15	FIFA Bid Circular no. 5_23.09.2010
16	Bid Registration 11.5
17	Chung Answers_FIFA World Cup Bid_22.05.2014
18	a. FIFA Bid Circular no. 3_07.07.2010 b. Overview Contact with FIFA ExCo Members
19	Email from FIFA Ethics to Downs re Contact with Exco 06.10.2010
20	USABID000752-753 Email re NBA Live invitations 07.09.2010

21	USABID000618 Email Gulati to Erzik re FIFA guidelines 18.03.2014
22	USABID000766 Email Downs to Blazer re presentation 18.08.2010
23	USABID000754 Email re gifts for ExCo Members 06.09.2010
24	USABID000638 Email Downs and Cordeiro re gifts for ExCo 08.11.2010
25	USABID000719 Email Gulati re gifts for ExCo wives 16.09.2010
26	USABID000733 Email re gifts for ExCo 16.09.2010
27	USABID000797 Receipt gifts from Tiffany's
28	USABID000821-823 Expense report D'Hooghe visit 27.09.2010
29	a. Letter Ethics to Gulati re D'Hooghe_22.08.2014 b. Letter Gulati to Ethics re D'Hooghe_25.08.2014
30	USABID000854-856 Cheque request iPads 17.09.2010
31	Overview Friendly Matches with US Involvement
32	USABID000442 and 564 Emails re Haiti benefift game 05.02.2010
33	USABID000452-453 Emails Trinidad and Tobago U17 Women 22.07.2009
34	USABID000471 Email Warner to Gulati re football scholarship 30.01.2010
35	USABID000491 Email USSF CONCACAF projects 01.10.2010
36	USABID000710 Email re rain jackets for CONCACAF 15.09.2010