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Salt Lake City *the beginning*

ON NOVEMBER 24, 1998, the Salt Lake City television station KTVX reported that a 1996 letter in its possession indicated that the Salt Lake Olympic Bid Committee (SLOBC) had awarded a “scholarship” to the daughter of the late IOC member from Cameroon, Rene Essomba (Gorrell, 1998a). The central role of the mass media in releasing this evidence foreshadowed the events of the next several months when new examples of Olympic scandals became top international news stories, often on a daily basis.

According to IOC accounts, this was the first actual documentation of corruption in the bid process and marked the beginning of a new era of Olympic politics, as the issue of the buying and selling of Olympic votes, dating back to the 1980s and earlier, suddenly became the major preoccupation within the IOC and the international Olympic industry. Subsequent statements by former SLOBC leaders confirmed that six relatives of IOC members and seven other individuals had received approximately \$400,000 in financial aid or “scholarships” in a program that began in 1991 after Salt Lake’s unsuccessful bid for the 1998 Winter Olympics. At this time, IOC rules permitted bid cities to give IOC members gifts valued at no more than \$150. Later evidence of excessive gift giving, hospitality, and services provided to IOC members and their relatives included medical treatment, employment, shopping trips, and holiday travel and accommodations.

In the aftermath of several major national and international investigations targeting the IOC, members of former bid committees, and agents acting on their behalf, several Olympic officials, including members of the IOC, the Salt Lake 2002, and Sydney 2000 bid committees, resigned or were asked to step down, or were issued “warnings” of varying severity, while the future of others remained in question.

More important than the consequences meted out to individual committee members, the underlying principles of the IOC and the Olympic industry were now subjected to an unprecedented level of international scrutiny and investigation by organizations as diverse as sport ministries in Europe, federal intelligence agencies in the United States and Australia, and university student groups in Ontario and New South Wales. The Olympics were irrevocably politicized by these events, and the IOC could no longer resort to the position that the Olympic movement transcended politics.

HISTORY OF SALT LAKE CITY’S OLYMPIC ORGANIZING COMMITTEE

The Salt Lake organizing committee (SLOC) had been the center of several controversies in the late 1990s. Its first president, Tom Welch, had to resign in 1997 after pleading no contest to a domestic violence charge, and the “revolving door” of SLOC resignations and appointments early in 1998 was a further cause for concern. The most serious and longstanding issue, fuelled by the committee’s secrecy, resistance to public oversight, and alleged conflict of interest among board members, was the possible public liability for any Olympic debt (Packer, 1997). The Olympic scandal exacerbated these financial concerns; within a matter of weeks, the marketability of the Olympic name was seriously damaged and SLOC faced the threat of cancelled sponsorships and a budget blowout.

A minority of SLOC’s forty-person board, including Ken Bullock, Utah League of Cities and Towns representative, and Maria Garcia, Neighborhood Housing Services, had been working toward a more democratic and open process for some time. Both Garcia’s position on the board and Bullock’s place on the executive were achieved only after extensive lobbying and, in Bullock’s case, a Utah State Legislature resolution. Bullock earned the reputation as an advocate for smaller communities and a watchdog over the SLOC budget. In 1997, he challenged the \$12,000 budget allocated to local youth sport, in contrast to the excessive funding for travel and entertaining Olympic officials, and succeeded in raising the community sport legacy to \$350,000. He also proposed that SLOC donate surplus equipment to the state’s towns and cities after the Games (Packer, 1997). And in January 1999,

when the extent of corruption in the Olympic industry became clear, Bullock was one of the very few voices from inside an Olympic organization calling for the resignation of IOC president Juan Antonio Samaranch.

Bullock received a copy of the Essomba letter anonymously in October 1998 and delivered it to SLOC vice president Dave Johnson at the October 8 board meeting. It appears that no official action was taken until after the November 24 KTVX disclosures. SLOC president Frank Joklik's initial reaction, according to one journalist, was to tell the press, "This is a non-story" (Harrington, 1999). By December 8, 1998, however, Joklik acknowledged that financial aid and "scholarships" valued at approximately \$400,000—what the Salt Lake bid committee and the USOC termed its "National Olympic Committee (NOC) Assistance Program"—had been delivered to thirteen individuals, including six relatives of IOC members, during the bidding for the 2002 Winter Olympics.

At this early stage, most Salt Lake City officials implicated in the controversy employed the "humanitarian aid" rationale and, although public disbelief and cynicism quickly surfaced, many Olympic officials clung to this explanation and protested their innocence to the end. Welch and Joklik, along with USOC assistant executive director Mike Moran, took the position that to call the NOC Assistance Program "a shoddy bribe" was "an unfair characterization" and "a sort of defamation" of what they portrayed as the altruistic Olympic family ethos of helping IOC members from poorer nations (Gorrell, 1998b). Only three months later, in a very different context, Moran faced the media again as chair of a press briefing on the USOC Special Oversight Commission Report, which was unequivocal in its condemnation of SLOBC's participation in the IOC's "broader culture of improper gift-giving" (USOC, 1999, p. 27).

According to the explanation that Joklik gave in December, it wasn't surprising that six of the "scholarship" recipients were relatives of IOC members because "these people tend to be leaders of sports programs" and have better education and political experience (Gorrell, 1998c). This was a creative attempt to justify what earlier critics had termed "a preferential exchange between social elites" (Tatz & Booth, 1994, p. 12). In the first of a long series of finger pointing, Welch claimed that "these kind of [scholarship] programs have been around for ever. The USOC was doing it long before we were" (Welch quoted in Gorrell, 1998b). The extent to which such arrangements conformed to IOC Olympic Solidarity Program guidelines will be examined in chapter 3.

On December 9, National Public Radio newscaster Howard Burkess phoned Swiss IOC member Marc Hodler to tell him about the television

disclosure of the Essomba letter. Although Hodler did not go on air, Burckess reported his response: that it was not “legitimate” for the Salt Lake bid committee to have made “scholarship” payments to IOC family members (Carter, 1998). Hodler repeated his assertion that such actions constituted bribery at numerous impromptu interviews with the press at the IOC headquarters in Lausanne, Switzerland, throughout the week. He also claimed that buying and selling of votes dated back to the 1996 bids, and that between 5 and 7% of IOC members were open to bribery. A week later, he revised his estimate to twenty-five members. The IOC executive issued a statement disassociating itself from Hodler’s claims; it was rumored that Hodler had been instructed to stop talking to the press, an allegation that Samaranch quickly quashed (Gorrell, 1998e).

Hodler further alleged that four agents, including one unnamed IOC member—readily identified as Congo member Jean-Claude Ganga (Gorrell, 1998g)—could have influenced the outcome of the site selection process for the last four Olympics: Atlanta 1996, Nagano 1998, Sydney 2000, and Salt Lake City 2002. These agents, according to Hodler, demanded fees of between \$500,000 and \$1 million, and one man boasted that no city in fifteen years had won the Games without his help. Hodler initially implicated the Sydney bid in his allegations, but by December 16, having received assurances from the Sydney bid committee, he said he was satisfied that Sydney’s bid had been “clean” (Korporaal, 1998a; 1998b).

THE HODLER RULES

Marc Hodler, eighty years old at the time of the controversy and a member since 1963, was known as one of the earliest whistle blowers within the ranks of the IOC. His first attempts to reform the bid process in the early 1990s had been prompted by widespread rumors of excessive gifts, services, and hospitality. Whether these were demanded by IOC members or forced upon them by bid committees was a moot point at that time.

Hodler subsequently developed guidelines known as the Hodler Rules, which were adopted by the IOC in February 1994. The stated IOC rationale for the guidelines was to reduce costs to candidate cities (IOC ad hoc Commission, 1999a), not to address abuses of the bid process. The rules included a \$150 limit on the value of gifts or benefits to IOC members or their relatives and a prohibition on any arrangements, transactions, or contracts between bid cities and IOC members/relatives. A two-phase bid process was introduced, with four finalists determined by the IOC six

months before the final vote. IOC members, with one accompanying person, could only visit these four cities, with a maximum stay of three days, or five days in the case of long-haul travel.

Although bid cities found to have breached the rules could be excluded from the Games, there was no mention of sanctions for IOC members who did so (except for the standing provisions for expulsion in the Olympic Charter). Despite rumors to the contrary, it did not appear that the IOC was empowered to take away a host city's right on the grounds that the bid process was fraudulent; war, civil unrest, or other dangerous situations, as well as breaches of the host city guarantees and obligations, constituted the only grounds for rescinding the contract.

During the bidding for 2002, Salt Lake City and the other bid cities operated under the 1994 rules, whereas the Sydney bid committee was subject to slightly different rules that had been in force since February 1992. In both instances, restrictions covered the same areas, most notably relationships between candidate cities and IOC members (number of visits, gifts, travel costs, entertainment, etc.); the maximum value of gifts at that time was \$200.

Now characterized as the "free-speaking IOC member" in the press, Hodler continued with a series of media interviews on the gift-demanding practices of IOC members from Africa, Europe, and the Americas. Although he stressed that his overriding interest was to show that Salt Lake City was "the victim of blackmail and villains" (Gorrell, 1998f), many SLOC officials took issue with his unequivocal labelling of their NOC Program as bribery, in part because Hodler was the IOC member designated to oversee Salt Lake City's preparations, and had been perceived as their friend and supporter.

Salt Lake Tribune Olympic reporter Mike Gorrell initially described Hodler as "pouring fuel on the incident and turning it into an international controversy that taints the reputations of SLOC and the IOC," while Utah's governor Leavitt agreed that efforts should be made to avoid "negative reflections . . . on the dignity of the Olympic Games" (Gorrell, 1998d). But as new and unequivocal evidence of corruption came to light, Hodler reiterated his interest in rooting out systemic corruption for the good of the Olympics. For Hodler, at least, the dignity of the Olympics rested on more than a public relations image, and there is no doubt that he was instrumental in the IOC executive committee's decision to launch a formal commission of inquiry. Although the commission later revealed that Hodler's allegations were based on hearsay, in hindsight it can be seen that the weight of evidence collected during various formal investigations eventually turned the tide on the Olympic industry.

THE INVESTIGATIONS BEGIN

On December 11, 1998, the landmark date when the IOC finally acknowledged that it had sufficient factual evidence to proceed, president Samaranch announced the formation of an ad hoc commission led by vice president and Canadian IOC member Richard Pound, a lawyer, to investigate the bribery allegations and to make recommendations by January 23, 1999. For the interim, no IOC members were permitted to visit cities bidding for the 2006 Winter Games. By mid-January, the names of twelve IOC members under suspicion were circulating through international wire services: Agustin Arroyo (Ecuador), Bashir Attarabulsi (Libya), Jean-Claude Ganga (Congo), Zein el Abdin Gadir (Sudan), Anton Geesink (Netherlands), Pirjo Haeggman (Finland), Un Yong Kim (Korea), Charles Mukora (Kenya), Louis N'Diaye (Ivory Coast), Sergio Santander Fantini (Chile), David Sibandze (Swaziland), and Vitaly Smirnov (Russia).

The IOC ad hoc commission marked the first move in an avalanche of international investigations conducted in the United States, Canada, Europe, Australia, and Japan. One week later, SLOC instructed its own internal board of ethics (SLBE), established in 1996 and led by retired Chief Justice Gordon Hall, to review the bid process, a move that prompted criticism that this was a toothless panel relying only on information provided by SLOC itself (Gorrell & Walsh, 1998).

The next development, on December 22, was the formation of the USOC's Special Bid Oversight Commission, led by former senator George Mitchell. The following day, the U.S. Justice Department, the Federal Bureau of Investigation (FBI), and U.S. Customs announced formal investigations into the Salt Lake bid. Unlike the other nonjudicial panels, the federal probes covered criminal activities and had the power to subpoena witnesses and records and to empanel grand juries. In late January, Utah State Attorney General Jan Graham announced a state investigation, and in February, the General Accounting Office (Congress) and the House Commerce Committee established investigative subcommittees led by Representatives John Dingell and Fred Upton respectively.

In early January, another dimension of IOC "gift giving" made international news with the first of a number of reports of expensive gifts that bid committees had sent to Samaranch, including Salt Lake City's gift of guns valued at \$1,600 and a \$28,000 samurai sword from the Nagano bid committee. The IOC quickly responded with the rationale that since the president did not vote, and since such gifts were housed in the IOC Museum, these could not be construed as bribery. However, as many media critics

pointed out, Samaranch's practice of personally selecting IOC members provided ample evidence of his powerful influence over the host city selection process. Asserting that he was not accountable to the press, Samaranch subsequently announced that he would put his presidency to the vote at the next IOC session.

On February 6, somewhat belatedly in view of the evidence of Sydney bid committee's involvement in "scholarship" programs, the Sydney Organizing Committee for the Olympic Games (SOCOG) announced its first independent review of the records of the Sydney Olympic Bid Committee (SOBC), to be led by former auditor-general Tom Sheridan and completed before the March 16 IOC meeting in Lausanne. Up to that time, Sydney bid committee members had assured the public, the media, and IOC whistleblower Marc Hodler that all their actions had been clean and above reproach. In an attempt to fend off calls for an investigation, SOCOG president Michael Knight, also the NSW Labor government's Minister for the Olympics and Sport, claimed that in the leadup to a state election, such an inquiry would be perceived as political opportunism (since the bid had been organized when a Liberal government had been in power).

THE RESIGNATIONS FOLLOW

By early January, documents compiled for the various American investigations showed that SLOBC had provided IOC members and families with benefits and cash payments in contravention of the IOC rules. As a result, Joklik and Johnson resigned on January 8, SLOC terminated Welch's consulting contract and pension, and other SLOC members who had served on the bid committee were given administrative leave. Alfredo La Mont, USOC Director of International Relations and Protocol, resigned on January 14, citing a "previously undisclosed business relationship" with SLOC (U.S. Olympic official, 1999). The SLBE Report subsequently revealed that La Mont and his business associates had contracts with SLOBC from 1990 to 1992 to arrange meetings, collect information, and provide other lobbying services with IOC members—in other words, he worked as an agent while holding a senior USOC position.

As the evidence of corruption mounted, the first IOC resignation occurred when Finnish IOC member Pirjo Haeggman—one of the first two female members appointed in 1981—stepped down on January 19, 1999. Two other IOC members under investigation—Attarabulsi and Sibandze—resigned shortly before the January 24 release of the IOC Commission of Inquiry report, and Mukora left a few days later.

In 1993, SLOBC had tried unsuccessfully to obtain paid employment for Haeggman's husband, and in 1994 had arranged an eighteen-month consulting contract with an engineering company. However, the \$33,750 payment that Haeggmann had received was documented in SLOBC's financial records, even though his environmental study was unrelated to the committee's activities, and it appeared that the company did not reimburse SLOBC (SLBE, 1999, p. 25).

Allegations of the benefits that the Haeggmans had received in North America implicated not only SLOBC but also the Toronto Ontario Olympic Committee (TOOC), led by former Olympic yachtsman Paul Henderson, during its bid for the 1996 Olympics. In 1989, TOOC had arranged for Haeggman's husband to work for the Ontario Ministry of Natural Resources for twenty months as a forestry inventory specialist. Trevor Isherwood, a Ministry official, claimed that Henderson had initiated the hiring process and later pressured the Ministry to continue employing Haeggman, whose performance was allegedly adequate. When Haeggman resigned from the job four days before the IOC vote for the 1996 Games, Henderson blamed Isherwood for jeopardizing Toronto's chances of gaining Pirjo Haeggman's vote (Buffery, 1999c; Ontario government job . . . , 1999).

Repeating his earlier assertions that the Toronto bid had been clean, Henderson subsequently claimed that there had been no impropriety in the arrangements with the Haeggmans and no conflict of interest when the Ontario government, a financial partner in the Toronto bid, had hired an IOC member's husband. Henderson initially made vague reference to an "exchange program" between Canada and Scandinavian countries (Buffery, 1999b), but soon began to cite the "friendship and hospitality" argument that was a mainstay among most of those implicated in the IOC controversy (Buffery, 1999c).

It was also revealed that TOOC had paid the Haeggmans' rent of \$1,000 (CAN) per month, an amount later described by Henderson as a loan and not a gift or bribe. He claimed that these arrangements were known to the IOC and the bid committees in Atlanta and Salt Lake, and had been "cleared" through Samaranch (Christie, 1999b)—although, according to an Australian newspaper report, Samaranch claimed to have no recollection of this (Lusetich, 1999). In a later allegation, it was claimed that Henderson himself had provided employment and accommodation for the son of another Finnish IOC member, Peter Tallberg.

In light of events surrounding the Salt Lake City investigation, it could be argued that TOOC's activities not only demanded a formal investigation but that a systematic inquiry would have been more efficient than the grad-

ual leaking to the media of various pieces of information, most of which were neither complete nor accurate. However, TOOC had a clear advantage over the Salt Lake and Sydney bid committees in that it took early control of the debate, particularly in the mass media.

Although Haeggman resigned from the IOC, she stated that she did not know about the dealings between her former husband and the bid committees, and correspondence cited in the SLBE report generally confirmed her claim. One isolated report dated March 13, 1999, noted that Haeggman had requested the IOC to reinstate her (Vincent, 1999d), perhaps when it became clear that some fellow IOC members—Un Yong Kim (Korea) and Phil Coles (Australia), for example—appeared, at least at that stage, to have successfully avoided expulsion even in the face of evidence of serious misconduct. And, as several African sport officials observed, charges were more likely to stick to a Black* or minority IOC member than to a White one, and more likely to target a Black or minority recipient than a White donor of a bribe (Selsky, 1999; Vincent, 1999c).

TORONTO ONTARIO OLYMPIC COMMITTEE: NO INVESTIGATION

In Toronto, Henderson's arrangements with the Finnish IOC members prompted Olympic watchdog groups and some city councilors to call for an audit of TOOC's files, which at that time were in Henderson's possession. The *Globe and Mail* reported on the contents of one public document related to the TOOC bid: a videotaped interview between Henderson and a university film student in 1990 which the community-based Bread Not Circuses Coalition (BNC) made available on its web site on January 28, 1999. In the video, originally released at a BNC news conference in 1990, Henderson described how TOOC kept some of its cash-generating schemes concealed from the IOC, the Canadian Olympic Association (COA), and the Toronto City Council. The corporate boxes in the SkyDome, for example, would not be mentioned in the bid in order to maximize profits for Toronto (Christie, 1999c).

Although Henderson was in Australia for yacht racing, he was in frequent e-mail and phone communication with selected Toronto journalists who reported not only his defense of the Haeggman arrangements, but also his attack on IOC members and their travel scams (Buffery, 1999a)—prob-

*The words Black and White have been capitalized throughout in order to draw attention to the significance of skin color in the social construction of ethnic identities.

lems that TOOC had documented and presented to the IOC executive in January 1991. This new topic deflected some of the media attention from Henderson's relationship with the Haeggmans and the Tallbergs. On his return later in January, he blamed the media for the scandal (Buffery, 1999d). However, the same media were called to a press conference conducted by Henderson and two former TOOC executive members, Norman Seagram and Arthur Eggleton, a few days later. At this event, the IOC executive meeting to which TOOC and other unsuccessful bid committees had been summoned in January 1991 was recast as a brave initiative by Henderson et al. to blow the whistle on IOC members' misconduct. The fact that in 1998–1999, Toronto Council and a group of business and sport leaders were engaged in a new bid for the 2008 Olympics soon deflected attention from the shortcomings of the 1996 bid process. Moreover, TOOC had the advantage of avoiding a federal criminal investigation that, in the SLOBC case, found that a Salt Lake City businessman was guilty of a misdemeanor tax violation when he offered a fraudulent job to the son of IOC member Un Yong Kim.

In the next development involving TOOC, Toronto's former auditor claimed that he had identified irregular cash payments, including improper cash payments, in TOOC's budget but that Eggleton had told him not to pursue the matter. Eggleton denied receiving this information (De Mara, 1999a; Walker, 1999). TOOC's financial records, finally made public in March 1999, provided further evidence of irregularities and possible conflicts of interest. The mayor and several councilors, as well as BNC, called for a forensic audit of TOOC's records, but, after several delays, Toronto Council finally decided that a full audit would be too costly and settled for an internal investigation.

By this time, some councilors were arguing that attention should be on the current bid for the 2008 Olympics rather than on events of ten years earlier (Christie, 1999d). For their part, however, critics were interested not only in uncovering irregularities in the last bid but also in establishing accountability and openness in the current bid, particularly since many of the same players were involved. The new TOBid committee had promised a clean bid, but with international scandals casting doubt on what constituted "clean" in Olympic parlance, it was clear that the situation called for more decisive action. To that end, TOBid attempted to preempt critics with its February announcement of the formation of an ethics committee. However, the USOC had established such a committee in 1991 and SLOC had done so in 1997; the Toronto group had been incorporated for six months and

had been meeting for two years before external events prompted it to follow suit. In another late start, the COA only began working on its code of ethics in 1997.

CONCLUSION

Well before the results of formal investigations were made public, evidence of the tangled webs surrounding Olympic bids was appearing in the global media on a daily basis. SLOBC leaders initially defended the practice of providing gifts and services to IOC members and their families on the grounds that this constituted either aid to sport in developing countries, or assistance to poor relatives in the Olympic family. It was not necessary for bid committees to develop particularly creative strategies to circumvent the poorly policed Hodler Rules on gift giving, although it was later revealed that they did, in fact, put considerable money and effort into identifying the needs and interests of particular IOC members and their families. It soon became clear that the Salt Lake case was not an isolated example of impropriety, but part of a complex system of relationships among bid committees in the United States, Canada, and Australia, and links between members of bid committees and the IOC. The system began to crumble in the face of allegations and disclosures of conduct unbecoming the lofty Olympic ideal.

The ways in which both the mass media and the Olympic industry attempted to shape public debate following the November 1998 television disclosure of improper arrangements between SLOBC and IOC members have been described in detail in order to set the stage for an analysis of the four major investigations that took place in the next few months: the IOC ad hoc Commission of Inquiry, the investigation of the independent examiner for SOCOG, the SLBE, and the USOC inquiry. It is beyond the scope of this discussion to provide details of similar inquiries conducted in Nagano, Lillehammer, Stockholm, and elsewhere. The next chapter will provide the historical context for the allegations and investigations, and will analyze the findings of the four inquiries.