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At Top of European Soccer, Fears That Rules Don't Apply to All

When the Paris St.-Germain president avoided punishment in a UEFA investigation, some worried that his power and his friendships were producing special treatment.





By Tariq Panja

It had been an electric night of Champions League soccer at Madrid's Santiago Bernabéu stadium, with Real Madrid coming from behind to eliminate Paris St.-Germain. The game in March had been billed as a showdown of soccer's new money against European aristocracy, and Real Madrid, representing the old guard, had triumphed. But only just.

Now that it was over, though, the Paris St.-Germain president, Nasser al-Khelaifi, was furious. And almost as soon as the referee blew his whistle, al-Khelaifi was moving.

He and the P.S.G. sporting director, Leonardo, headed straight for the changing rooms used by the referee Danny Makkelie and the match officials. It is not uncommon for members of the losing side to express their frustration over a defeat, or to seek answers. But Makkelie, a highly experienced official from the Netherlands, felt what happened in the tunnel area in Madrid went beyond all acceptable bounds.

After the match, Makkelie wrote in a report reviewed by The New York Times, al-Khelaifi and Leonardo "showed aggressive behavior and tried to enter the dressing room of the referee." Even after Makkelie asked them to leave, he wrote, al-Khelaifi and Leonardo "blocked the door." The president, he wrote, then "deliberately hit the flag of one of the assistants, breaking it."

The events created a crisis for European soccer's governing body, UEFA. Al-Khelaifi is one of the most powerful men in the European game, an executive whose multiple roles — including a place on UEFA's top board and a post as chairman of a media company that funnels hundreds of millions of dollars into European soccer through broadcast deals — have long aroused conflict-of-interest concerns.

What happened next has only increased those worries among administrators and rivals. Within 24 hours of the incident, UEFA announced that it had opened a disciplinary investigation. And then it went silent.

Weeks passed. Then months. Other incidents that had taken place at UEFA matches held after the game between Real Madrid and P.S.G. were investigated and adjudicated. But UEFA's investigation into al-Khelaifi — who in addition to his role at P.S.G., one of Europe's richest clubs, is also the chairman of beIN Media Group, the Qatar-based company that is one of UEFA's biggest partners — dragged on.

Only in June, after the European soccer season had finished, after much of the attention on the incident had faded, did UEFA quietly publish a short paragraph. It appeared on Page 5 of a six-page document listing outcomes of recent disciplinary cases: UEFA said it would ban Leonardo — who had since left P.S.G. — for one game for violating "the basic rules of decent conduct."

Curiously, there was no mention of al-Khelaifi, who according to the referee's report had engaged in behavior that was worse. UEFA declined to provide details of its investigation, or why al-Khelaifi had avoided punishment. It said the delay could be explained, too: It had simply prioritized investigations involving teams still competing in its competitions.

P.S.G. declined to comment.

Veterans of disciplinary matters inside the organization, though, were not surprised in the outcome. Alex Phillips, a UEFA executive for almost two decades, most recently served as its head of governance and compliance until leaving the organization in 2019. He told The Times that the timing of the resolution alone felt intentional. "They would have waited to find a quiet time to bury it and hope people would have forgotten and it would blow over," Phillips said.

He suggested that UEFA's disciplinary mechanism has been undermined in recent years. "The so-called independent judicial bodies are in reality far from independent, instead now being used as a power tool to ensure specific outcomes," Phillips said. "We would tell the public that they are independent decisions when they really are not."

The al-Khelaifi case comes at a particularly sensitive time for UEFA. The European Court of Justice <u>will rule</u> next year after a group of clubs questioned UEFA's role as a regulator and competition organizer. If it loses, its hegemony over how European soccer's multibillion-dollar business can be organized, and by whom, may come under severe threat.

The case of the tunnel fracas in Madrid is also not the first time P.S.G. has achieved a favorable outcome after being investigated by UEFA. In 2018, the club faced the possibility of being excluded from at least a season of Champions League soccer after being found to have breached UEFA's financial control regulations. But P.S.G. was spared a humiliating — and expensive — punishment after UEFA's administration sided with the team against its own investigators.

Relations between al-Khelaifi and UEFA have only strengthened since then.

He emerged as UEFA's chief partner in early 2021, when the organization successfully fought off a bid by a group of European soccer's biggest teams to create a breakaway Super League.

But had the Super League succeeded, it would have at a stroke sabotaged the Champions League — UEFA's chief financial engine and widely considered to be the top club event in global sports.

Instead of signing up, though, al-Khelaifi said P.S.G. sided with UEFA, lobbying publicly and privately to help crush the revolt. That effort has been rewarded: Al-Khelaifi was soon elevated to chairman of the influential European Club Association, an umbrella group for more than 200 top clubs that is UEFA's joint venture partner for selling rights to the Champions League and two other club competitions — and of which beIN Sports is one of the biggest customers.

"There's a clear conflict of interest," said Miguel Maduro, the former head of governance at global soccer's governing body, FIFA. "That he's president of P.S.G. might not be a conflict, because clubs must be represented at UEFA. But the fact UEFA has serious economic interests with him and vice versa gives him undue influence. No one that has economic interests in terms of dealing with UEFA should be on its board."

Phillips, the former UEFA executive, said he had once tried to prevent al-Khelaifi's elevation to UEFA's executive committee but found little support among his colleagues.

"You've got a conflict-of-interest article in the statutes," Phillips said he told staff members. "You put it in, why don't you apply it?"

UEFA's president, Aleksander Ceferin, has long brushed aside such concerns, and he even insisted that al-Khelaifi, a Qatari who is a close confidante and occasional tennis partner of the Gulf country's ruler, remain on its board as he fought a corruption case in Switzerland. (Al-Khelaifi was cleared in the case earlier this year.) This week, as European soccer's top power brokers meet in Istanbul around the draw for this season's Champions League, Ceferin and al-Khelaifi, in his role as E.C.A. head, are likely to hold bilateral talks on the future of the game.

That influence has not gone unnoticed by rivals already wary of P.S.G.'s deep pockets. Another executive with a team in the Champions League this season, Joan Laporta of Barcelona, lamented in an interview with The New York Times earlier this summer that state-backed clubs like P.S.G. can offer double the amount teams like his can for players in the billion-dollar transfer market.

Maduro, meanwhile, said that UEFA's actions have "created suspicions" that P.S.G. operates under a different set of rules. He described the outcome of the 2018 financial fair play case as "incredible."

"You have the political leadership of UEFA siding with a club against its own independent body, undermining the enforcement of the rules," he said. Most of the members of the commissions that investigated and ruled on P.S.G. in its financial compliance case have either quit or been replaced.

UEFA has since appointed Sunil Gulati, the former U.S. Soccer president, to lead its financial investigatory body. Gulati and Ceferin developed a friendship when both served on FIFA's leadership council.

It is Gulati who will be the one tasked with implementing the new financial control regulations that UEFA announced earlier this year. But those rules are more flexible than the previous regulations, and they have been renamed to highlight how UEFA is no longer reliant on them to promote a level playing field in its competitions. What had been known as the Financial Fair Play system now will be known as "financial stability" regulations.

"Competitiveness cannot be addressed simply by financial regulations," Andrea Traverso, the UEFA official responsible for establishing the rules, told reporters in April.

The rules seem to have arrived at an opportune time for P.S.G., which has carried on spending lavishly even as the rest of the soccer industry was being buffeted by the financial impact of the pandemic. In this summer's transfer window alone, the club has committed about 200 million euros on players, including a record new contract to retain the star striker Kylian Mbappé.

At the same time, news media reports this week said the team was among two dozen that are likely to be fined, or agree to financial settlements with UEFA, for overspending under the new financial rules. Such a punishment is unlikely to hurt a team with the resources of P.S.G. or Manchester City, another club bankrolled by Gulf billions that has repeatedly challenged — <u>and avoided</u> — major sanctions from UEFA.

"It seems that there could be some privilege for the clubs," Laporta said this summer. "The state clubs that are close to UEFA."