

Nike Becomes Suspected Player In FIFA Bribery Scandal

The U.S. Justice Department has announced that some surprising American names have emerged during an international investigation into bribery, fraud, and corruption at [FIFA](#). It is rumored that the list of these names includes a major U.S. sportswear firm some believe could be Nike and the Miami chairman of a popular nationwide soccer league.

On early Wednesday morning, Swiss officials arrested seven officials from FIFA at their hotel in Zurich after a request was made by the US Department of Justice. Nine soccer officials and five sports executives were indicted while four have already pleaded guilty.

Attorney General Loretta Lynch said in a press conference the investigation into the FIFA bribery scandal uncovered bribery going all the way back to 1991. She remarked they did this over and over, year after year, tournament after tournament. The Swiss Office of the Attorney General has opened its own criminal investigation a few hours after the DOJ-requested arrests of FIFA on suspicion of criminal mismanagement and of money laundering in connection with the allocation of the [2018 and 2022 Football World Cups](#).

It was disclosed by the Justice Department that more than \$150 million in bribes have been fueled by five "unscrupulous" U.S. and South American sports and banking executives to officials atop FIFA. Investigators claim that the five U.S. and South American businesses acted secretly, hatched intricate money laundering schemes, smuggled cash, and wired tens of millions of dollars through offshore accounts from the Cayman Islands to Hong Kong.

It was alleged by the indictment that bribes were paid and pocketed in association with the sponsorship of the Brazilian national soccer team by a major U.S. sportswear company. The indictment revealed that the sportswear firm signed a 10-year, \$160 million sponsorship deal with the Brazilian team in 1996. Though investigators have not named the company, the deal value closely matches clothes, shoes, and equipment deal of Nike with the Brazilian team that year. The indictment also alleged that a sportswear-company official agreed three days later to permit Traffic Brazil, a sports marketing company, to charge additional "marketing fees." The sports Marketing Company then invoiced the

company for tens of millions of dollars more in payments over a period of next three years that investigators say were bribes.

The Brazilian sponsorship deal helped dramatically in transformation of Nike, which was previously known primarily for running and basketball shoes, into global sports giant. The soccer revenue of Nike surpassed \$2.2 billion in fiscal year 2014, up from \$40 million in 1994.

In reaction to the allegations, a Nike representative said in a statement that the company is concerned by the very serious allegations and strongly opposes any form of manipulation or bribery. The statement added Nike is cooperating with the authorities.

Market analysts believe there would have minimal impact on the Big Swoosh even if Nike was implicated. The investors of Nike seemed to shrug off the issue to send stock of the \$88 billion giant fell less than 1 percent. Matt Powell, a sports industry analyst for NPD Group, remarked what fans or consumers are going to be much more concerned about is [doping](#) of athletes, fixing of matches, that kind of thing and added he thinks they couldn't care less who paid whom for what marketing deal.