

IHF and Sportfive Offices Searched in Investigation into Moustafa's 'Commercial Transactions'

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By Martin Ross

Public prosecutors are investigating Hassan Moustafa, the controversial president of the International Handball Federation, apparently over irregularities in the selling of sports rights when he had a private services contract with Sportfive, the international sports marketing agency that previously distributed rights on behalf of the federation.

The Egyptian official and three other people are being probed on suspicion of "bribery and corruption in commercial transactions," Wilhelm Möller, the chief prosecutor in Hamburg, told SID, the German sports news agency.

However, the IHF claimed today that the police investigation is the result of a complaint by Sportfive about the loss of its contract for the federation's international television rights to UFA Sports, the Hamburg-based international sports marketing agency founded by members of Sportfive's former management team.

German and Swiss authorities carried out searches at five different locations in Hamburg and Basel yesterday, including the IHF headquarters, Moustafa's house just outside the Swiss city and Sportfive's German headquarters, in order to study documents, evidence and contracts and determine if the allegations can be confirmed or rebutted.

Sportfive agreed a contract with Moustafa's Sport Group in 2007 to reward the IHF leader to the tune of hundred of thousands of Euros for his lobbying services on behalf of the agency in North Africa and the Middle East during the time that Sportfive was selling the IHF's television rights.

The agreement was altered in October of 2007 in an apparent bid to satisfy the International Olympic Committee's ethics commission. The ability to use Moustafa's influence to benefit Sportfive through his contacts in handball and the Association of Summer Olympic International Federations was removed from the contract.

Commenting on the issue today, Sportfive told Sportcal: "We can confirm that Hamburg's public prosecutor's office visited Sportfive GmbH & Co. KG in Hamburg on November 9, 2011. The background is the Hamburg public prosecution's investigation proceedings particularly against Mr Hassan Moustafa.

"The proceedings are directed neither against Sportfive nor against an employee of Sportfive.

"Sportfive is co-operating with the public prosecutor's office. Given the ongoing investigations, we would like to make no further statement on this."

Speaking at the beginning of last year after press reports initially surfaced about the agreement with Moustafa, Sportfive sought to distance itself from the affair, claiming that two consultancy contracts were negotiated and signed by the agency's former management who had subsequently left the agency.

At that time, Moustafa said that he considered the agreement with Sportfive to be a "completely normal transaction" and the "reality of life in my home country." He added: "I made a major contribution to the increasing success of Sportfive in the Middle East and Africa."

In 2009, Sportfive was defeated by UFA Sports in a tender for the IHF's international broadcast rights from 2010 to 2013.

The IHF claimed today that the police investigation concerning Moustafa was the result of a complaint from Sportfive about the tender process which led to UFA Sports being awarded the rights.

The federation told Sportcal: "Yesterday we received Swiss and German police officers to investigate the allegation about the possibility of involvement of the IHF president in corruption in concluding the IHF TV rights for the period 2010-2013. The complaint is coming from Sportfive; the company which has lost the IHF TV rights for 2010-2013. The police's main concern was the documents related to the awarding of the TV right to UFA. The [IHF] office supported the police officers from both countries to get all the information required."

The federation went on to defend the "transparent" tender process used when UFA Sports was awarded the rights and claimed that the agency's offer was SFr9 million (\$9.93 million) higher than Sportfive's.

The IHF said that UFA Sports' offer of SFr60 million was "considered a revolution in the IHF income from TV only."

The federation stated that it handed over the relevant document from the tender to the police "as well as all the data available in our system."

A spokesman for Basel's prosecution office told OnlineReports, the regional news website in Switzerland, that the searches of different properties had come about after a criminal procedure launched by Hamburg's prosecution office because of the suspicion of corruption.

After details of Moustafa's agreement with Sportfive emerged at the beginning of last year, Transparency International, a non-governmental anti-corruption body, called for regulation of personal business contracts involving sports officials, stating that it wanted clear rules or an abolition of such deals.

The anti-corruption body called on sports officials to refrain from involvement in personal business contracts as they "raise suspicions," but said that if such deals exist then "clear rules and in particular transparency at least within the individual federation are essential, even in the interests of the affected officials and the agencies."

Moustafa has cut a controversial figure at the head of the IHF. In 2009, the Basel authorities launched an investigation into 'unfaithful transactions' but the enquiries were not continued.

The Egyptian was overwhelmingly re-elected as president in June 2009, despite widespread criticism of his tenure, most notably from the outspoken former secretary general Peter Mühlematter and Group Club Handball, the elite body of European clubs, which published a

series of allegations against the president and demanded “detailed explanations.”

Issues raised by critics of Moustafa included the Egyptian’s anti-doping policies, his alleged failure to provide travel receipts, the selection of referees for a disputed South Korea-Kuwait Olympic qualifying game in 2007, alleged delays in payments to the Egyptian Handball Federation after it hosted the world championships and the behaviour of the Egyptian team ahead of doping controls in 2004.

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