

**Original: French**

**INTERNATIONAL OLYMPIC COMMITTEE  
ETHICS COMMISSION**

**Decision with recommendations  
No. 05 - 2012**

CASE No. 3/2012

Sunday Times  
Sale of Olympic Games tickets

**I - Referral**

1.-On 15 June 2012, the British newspaper *Sunday Times* (ST) sent the IOC Communications Department a letter describing the content of an investigation carried out by two ST journalists over a period of several months. The letter explains how, by using devices such as false names, fake commercial companies, hidden cameras and recorded telephone conversations, the two journalists claim to have proved:

- the existence of multiple violations of the Ticket Sales Agreement (TSA) signed with the Organising Committee (LOCOG) thereby creating an illegal market for tickets to the London Olympic Games;
- and the clear intention of certain NOCs to breach the general principles established by the IOC for negotiating the Authorised Ticket Reseller (ATR) contracts for the Olympic Winter Games in Sochi.

In all, 27 individuals and 8 ATRs in 16 countries were contacted.  
The IOC President immediately referred the case to the Ethics Commission.

2.-In its 17 June 2012 edition, the ST published a series of articles, partially presenting this investigation. Video extracts were also included on the ST web site.

3.-On 29 June 2012, the ST sent the Ethics Commission, on condition of strict confidentiality, all the evidence, particularly the sound recordings and transcripts. Because of the strict confidentiality conditions, only the ST may send this evidence to the various individuals concerned. This evidence was verified.

Despite the efforts made, it was not possible to propose conclusions to the IOC Executive Board before the start of the Olympic Games. However, during the period of the Games, a number of individuals named in this investigation were able to make their observations to the Ethics Commission rapporteur. All the individuals were asked to send their written observations, and the Commission received these.

**II – Information on the Olympic Games ticket sale system**

4.-It should be noted that the ticket sale system for the Olympic Games is extremely complicated and is the result of the manner in which it has evolved over time.

The Organising Committee (OCOG) is responsible for and profits from the sale of tickets to the various Olympic Games events. Most of the tickets are sold in the host country, and the rest are sold to other clients: the IOC, broadcasters, sponsors, IFs, and National Olympic Committees (NOCs) which want to be part of the ticket sale programme, to enable the families of the athletes and their supporters to support the competitors.

**5.**-The OCOG signs a Ticket Sales Agreement (TSA) with each NOC that wants to be part of the programme and its Authorised Ticket Reseller (ATR), if it has one. This agreement sets out the contractual obligations of each party. LOCOG established an extremely detailed LOCOG/NOC/ATR contract, particularly in order to increase the transparency of the sales mechanism.

**6.**-Each NOC which signs the TSA receives the right to sell its batch of tickets from the OCOG. For each Olympic Games, the NOC may take charge of such ticket sales itself, or make use of an ATR. The ATR may sell the tickets on their own or add other related products to them (travel, hotels, cultural events and other services).

**7.**-All of these ticket sales operations are subject to the code of conduct established by the IOC, with which all the stakeholders are required to comply and which sets out the overall general principles applicable to this mechanism, in particular:

- The NOC/ATR may sell its tickets only on its national territory to people resident in such territory, with the exception of the EEA (EU countries, Iceland, Norway, Liechtenstein and Switzerland) in which the 31 NOCs concerned can “passively” sell tickets in other EEA countries (i.e. without any kind of promotion in another EEA country).
- The NOC/ATR may purchase tickets only from the OCOG or authorised ATRs, either via the OCOG’s international ticket sales management programme or by officially informing the OCOG of the transaction, to ensure transparency.
- The NOC/ATR may not sell tickets to third parties with a view to their being resold.
- The tickets may be sold for no more than 20 per cent more than their face value to cover sales costs.
- NOCs/ATRs are required to inform the OCOG of any conduct contrary to the code of conduct and in breach of the agreement.

**8.**-LOCOG and the IOC increased the number of guides, manuals, explanatory documents, forums and training sessions applicable to the sales of tickets.

**9.**-As regards relations between the NOC and the ATR, in practice, some NOCs negotiate (several years before the Olympic Games in question) their right to resell their potential allocation of tickets. In such negotiations with the ATRs, the total price of such sales does not necessarily seem to be linked to the face value of the tickets, but rather to the margin the reseller thinks it can make on them. This practice is not addressed either in the IOC code of conduct or in the TSA.

### **III – Analysis of the facts**

#### **A. General Analysis**

10.-After taking into account all the evidence and all the observations made by the various individuals concerned, the Commission notes:

- that the purpose of the ST investigation was to demonstrate that the Olympic Movement, and those acting on its behalf, namely the ATRs, are prepared to violate the general principles of the code of conduct and the agreement being fully aware of such violation;
- that the two ST journalists, claiming to be acting on behalf of a Liechtenstein-based company representing a private investor from the Middle East, developed several scenarios, in particular buying tickets in order to resell them outside their original territory, or negotiating future ATR contracts for the Winter Games in Sochi at an abnormally high price, because of the clearly stated objective of selling some of the allocated tickets in the Middle East.
- that the words of the concerned individuals partly quoted in the press articles were corroborated by the recordings and not altered or taken out of context;

- that none of the steps taken by the journalists (sale/purchase of tickets, negotiation of ATR contract for Sochi) led to any concrete result, and that the journalists were seeking merely to prove a point;

- that this is demonstrated strongly by the fact that comments from well known personalities from the Olympic Movement and ATR companies confirmed the journalists' point.

**11.-** The Ethics Commission has analysed all the individual situations mentioned in the letter which the ST sent the IOC on 15 June 2012.

**12.-**The Commission notes that, as far as a large number of individuals who were contacted by the journalists are concerned, it was possible to confirm that there was no proof of any breach of the obligations of the IOC code of conduct or the LOCOG ticket sales agreement, and that, as a result, these individuals have in no way tarnished the reputation of the Olympic Movement.

**13.-**The Commission observes, however, that in certain situations, acts alleged by the ST journalists against individuals with functions within an NOC or an ATR have been fully or partially proved.

**14.-** The Ethics Commission notes that the individuals performing functions within NOCs did not appear to have had the intention of making personal use of the sums in question.

**B. Analysis of the situation of the individuals with functions within an NOC**

**15.-** With regard to the Hellenic Olympic Committee,

- a) Mr Spyros Capralos, President of the Greek NOC (HOC):  
After taking cognisance of all the evidence and his observations, the Commission observes that agreeing to negotiate the size of the payment made in return for the right to become the HOC's ATR for the Olympic Games in Sochi, and knowing that this sum was linked to unauthorised use of the agreement, Mr Spyros Capralos breached the IOC's code of conduct, as this text expressly makes the NOC responsible for the ticket sale procedure, either directly or through the intermediary of an ATR. The Commission notes that, even if the aim was apparently to fund athletes, the comments made by Mr Spyros Capralos, a very well-known personality within the Olympic Movement, and President of the HOC, which has a privileged relationship with the OCOGs and the IOC, give this demonstration even greater credibility and thereby causes even greater damage to the reputation of the Olympic Movement.
- b) Mrs Nicole Avramidou, HOC Head of Marketing:  
After taking cognisance of all the evidence and her observations, the Commission observes that, by acquiescing, in full knowledge of the facts, to failing to respect the contract, even though the main concern of the HOC was to get money to support the athletes, Mrs Avramidou helped tarnish the reputation of the Olympic Movement. The Commission stresses, however, that her imperfect knowledge of English, and in particular the fact that she acted after initial action by the HOC President, must be taken into consideration.

**16.-** With regard to the Lithuanian NOC,  
Mr Vytautas Zubernis, Secretary General of the Lithuanian NOC:

After taking cognisance of all the evidence and his observations, the Commission observes that, by agreeing to act on the request of a third party to purchase tickets with a view to reselling these, even though the NOC and its ATR had been reprimanded after the Olympic Games in Vancouver for breaching the same rules and had undertaken not to do so again, Mr Vytautas Zubernis failed to respect his monitoring commitment. By thus finding himself in a position of recidivist, Mr Vytautas Zubernis thereby failed to respect the IOC code of conduct and the LOCOG agreement, thereby tarnishing the reputation of the Olympic Movement.

**17.-** With regard to the NOC of Malta,

- a) Mr Lino Farrugia, President of the Maltese NOC:  
After taking cognisance of all the evidence and his observations, the Commission observes that, by agreeing to take part, with the NOC Secretary General, in a discussion concerning the ATR contract for the Games in Sochi, when it was apparent that his interlocutors seemed to

be looking for ways to circumvent the official mechanism, Mr Farrugia allowed the journalists to prove their point.

b) Mr Joe Cassar, Secretary General of the Maltese NOC:

After taking cognisance of all the evidence and his observations, the Commission observes that, by agreeing to discuss the ATR contract for the Games in Sochi when his interlocutors were clearly looking for ways to circumvent the official mechanism and knowing that some of the tickets could be sold in the Middle East; and finally by explaining which means could be used to get around the mechanism, Mr Joe Cassar helped to prove the point being made by the journalists, namely that the sports world and those who work with it are prepared to violate the rules. As a result, Mr Joe Cassar helped the reputation of the Olympic Movement to be tarnished.

**18.-** With regard to the Serbian NOC,  
Mr Djordje Visacki, Secretary General of the Serbian NOC:

After taking cognisance of all the evidence and his observations, the Commission observes that, by agreeing to discuss the unauthorised sale of tickets, Mr Djordje Visacki failed, to respect the IOC code of conduct and the TSA, and in particular his obligation to monitor the ATR, even if his conduct may appear simply to reflect a lack of caution.

**19.-** With regard to the ATRs:

After taking cognisance of all the evidence and the various observations received, the Ethics Commission notes that, by agreeing to discuss the sale of tickets with a view to their resale at least partly outside the authorised territories in full awareness of the IOC code of conduct and the LOCOG agreement, and sometimes at prices higher than the permitted margin, certain ATRs helped to prove the point being made by the journalists, namely that the Olympic Movement and those who work with it are prepared to violate the rules. As a result, the concerned ATRs allowed the reputation of the Olympic Movement to be tarnished.

#### **IV – Opinion**

**20.-** The Ethics Commission recalls that everyone performing a leadership function within a sports organisation, especially an NOC, must behave impeccably and do nothing to tarnish the reputation of the Olympic Movement. It believes that, if this is not the case, the individuals concerned must draw the necessary consequences therefrom.

**21.-** The Commission recalls that its recommendations are fully in compliance with the Olympic Charter. It notes that Rule 59 of the Olympic Charter does not provide for any sanctions for individuals performing functions within an NOC, and that as a result it can make no recommendations with regard to such individuals. It notes, however, that it is up to the NOCs or the individuals concerned to take the necessary steps based on each individual situation where the reputation of the Olympic Movement has been tarnished.

**22.-** The Commission is further of the view that, in the absence of appropriate action by the NOCs or the individuals concerned, the IOC Executive Board has the authority to take the appropriate administrative measures, particularly with regard to issuing accreditations for the various IOC-organised events such as the Olympic Games, the Youth Olympic Games, Sessions and other IOC meetings.

**23.-** With regard to the ATRs, the Commission points out that neither the ATRs themselves nor the individuals acting on their behalf or employed by them are Olympic parties within the meaning of the Code of Ethics.

It notes, however, that the conduct of some of these individuals has helped to prove the point being made by the journalists, and as a result allowed the reputation of the Olympic Movement to be tarnished.

**24.-** In conclusion, after analysing this file, the Ethics Commission believes that it is up to the IOC to review the entire ticket sales system to ensure that such situations, particularly those involving the ATRs, do not reoccur in the future.

RECOMMENDATIONS:

The Ethics Commission, after deliberating in accordance with its Statutes and Rules of Procedure, and pursuant to the Olympic Charter and the IOC Code of Ethics,

1. Observes that, pursuant to Rule 59 of the Olympic Charter, no individual sanctions may be imposed on individuals performing functions with NOCs, although various measures may be recommended;
2. Recommends:
  - a) that the NOCs and the persons concerned take the necessary measures with regard to situations in which the reputation of the Olympic Movement has been damaged;
  - b) that, if necessary, the IOC Executive Board take appropriate administrative measures, particularly those relating to the issuance of accreditations for various events organised by the IOC, such as the Olympic Games, the Youth Olympic Games, Sessions and other IOC meetings;
  - c) that the IOC Executive Board review the entire ticket sales system to ensure that such situations, particularly those involving the ATRs, do not reoccur in the future.

Done in Lausanne, 26 November 2012

For the Chairman,  
Pâquerette Girard Zappelli  
Ethics Commission Secretary