

## **IOC Interim Report**

### **by the IOC Director General and the IOC Chief Ethics and Compliance Officer to the IOC Executive Board on the situation of AIBA**

## **1. Introduction and History**

The IOC Inquiry Committee's Report, published on 21 May 2019, described in detail the history of IOC's concerns regarding the Association Internationale de Boxe Amateur (AIBA). Please refer to this [report](#) for more details.

This report led to the decision taken by the IOC Session in June 2019 to suspend AIBA's recognition and the set-up of the IOC Boxing Task Force (BTF) and the IOC Special Monitoring Committee.

Following the Olympic Games Tokyo 2020 in 2021, the IOC Executive Board took note of the various unresolved concerns remaining in the areas of governance, finance and referees and judges (R&J), and asked the IOC Director General and the IOC Chief Ethics and Compliance Officer to follow up the situation and analyse the various elements available with a view to producing a new assessment of the situation.

## **2. Various reports and information**

Following the methodology initiated by the IOC Inquiry Committee, the IOC asked various external experts to look into specific areas.

In parallel, AIBA also commissioned its own experts, in particular Professor Richard McLaren as an investigator and Professor Ulrich Haas, on the governance reform group.

### **2.1. On the financial situation**

Due to a situation of conflict of interest, Deloitte decided that they were unable to continue their mandate as experts; EY was appointed as experts for the review of AIBA's financial situation.

As per the non-disclosure agreement between EY and AIBA, EY was able to view the content of the Gazprom contract. AIBA however did not agree to disclose the agreement to the IOC, even with a proposed non-disclosure agreement. As a consequence, the IOC did not have access to the content of the contract.

The EY report highlighted that AIBA had entered into an agreement with Gazprom for the period from April 2021 to December 2022, and that AIBA had received 100 per cent of the contractually stipulated amount of funds in the first half of 2021 as a prepayment. The report also mentioned that AIBA benefitted between 1 July 2019 and 30 June 2021 from other sources of revenue, including from boxing events organised in Russia and Serbia.

The increased liquidity resulting from the Gazprom contract and the events revenue in this period allowed AIBA to decrease its indebtedness, in particular to repay its debt to Benkons in full.

The EY report noted that FCIT had again filed an order of payment on AIBA on 11 October 2021; however, no liability for this claim has been accounted for by AIBA due to ongoing dispute between FCIT and AIBA.

The EY report showed that the conditions of the Gazprom contract enabled AIBA to fully cover its expenditure for the year to 30 June 2021 and to cover budgeted expenditures for the year to 30 June 2022. However, for the period beyond 1 July 2022, in addition to the remaining six months of revenues from the Gazprom agreement, AIBA's revenues will be dependent on future licensing, sponsorship and event revenues that have yet to be contracted.



The EY report explained that, as part of the contractual obligations towards Gazprom, AIBA must hold a minimum number of international boxing events (due to the confidentiality, the number of events has not been disclosed to the IOC) and notify any changes in AIBA's executive body.

AIBA ability to continue operating is still highly conditional upon adherence to the contractual obligations with Gazprom, to the capacity of AIBA to continue to find other sources of revenues after the Gazprom contract expires and to whether the risk of a potential litigation from FCIT materialises.

## **2.2. On the R&J and Competition Management**

### **2.2.1 Professor Richard McLaren – Phase 1 Report**

Following the commission by AIBA's Board of Directors, Professor McLaren reviewed the outcomes of the boxing competitions at the Olympic Games Rio 2016 with regard to potential breaches of the then AIBA rules/processes on R&J. His findings included in the Phase 1 Report dated 30 September 2021 indicated that a number of potential manipulations of the R&J processes had taken place during the Olympic tournament, confirming the conclusions of previous analyses which had already been taken into consideration by the IOC Inquiry Committee in 2019. At this stage, no evidence was brought forward, indicating the need for any changes of the Rio2016 results. For any further information, please refer to this [report](#).

The next phase reports by Professor McLaren, on AIBA's 2017-2021 competitions review, will be finalised after this IOC Interim Report; they will be taken into consideration at a later stage.

On 5 November 2021, Professor McLaren also participated in a press conference regarding the R&J processes implemented during the AIBA World Championship held in Belgrade (Serbia); during which he confirmed that four R&Js were removed following the implementation of a new two-phase vetting process, the second phase including a risk assessment analysis based on automated Voice Analytics technology.

### **2.2.2 PricewaterhouseCoopers Reports**

As part of the IOC BTF R&J processes, PricewaterhouseCoopers (PwC) was asked to independently audit the procedures set up for the pre-selection, on-site appointment and evaluation of the R&Js and Technical Officials (TO) for the Olympic Games Tokyo 2020. A robust Code of Conduct was the cornerstone of the process. This audit covered the three steps of pre-draw, draw and on-site during the Olympic Games Tokyo 2020. In order to avoid any issues similar to those encountered at past editions of the Olympic Games, the new IOC BTF process drastically reduced the human interference during all the various pre-established phases, based on transparent and objective criteria. PwC stated that there was no deviation from the defined processes and that the zero-tolerance policy for any breaches of the Code of Conduct was fully respected by sanctioning any breaches.

During and after the Olympic Games Tokyo 2020, the vast majority of boxing athletes and national boxing federations voiced their satisfaction with the new documented and independent process, and confirmed that the Tokyo 2020 boxing tournament has been clean and fair.

The IOC also requested PwC to evaluate the processes implemented by AIBA during its Men's World Championship in Belgrade (Serbia) in October/November 2021. PwC noticed various concerning examples of human interference from the originally documented processes, in particular: during the pre-competition phase, the R&Js and TOs were not randomly drawn but manually selected by AIBA committees; during the competition phase, the filters for automatic selection were not documented but verbally communicated by the Technical Delegate, who was informally the decision-maker; breaches of confidentiality of the result of the draw also occurred, increasing the possibility of discussion with and/or between selected R&Js; and a great number of extraordinary changes of randomly drawn R&Js were approved by the Draw Commissioners and the Technical Delegates.



Finally, PwC noted that a number of final bout results was changed as part of the AIBA bout review process, which was poorly documented and thus did not allow any evaluation of the independence of the review judges. PwC concluded that the new AIBA mechanism is not as independent from human influence as it should be, and that consequently, it leaves an open pathway to issues similar to those encountered in the past.

Although the number of filed bout protests was very high during the event, which may be understood as a general dissatisfaction with the on-field results by numerous competing delegations, it shall be noted that the IOC was not informed about any claims of result manipulations in competition.

### **2.2.3 Jordanian Young Athlete**

During the AIBA Youth World Championships held in Poland, on 16 April 2021 a young Jordanian athlete was injured in competition and tragically passed away as a result of the injuries sustained.

The Jordanian NOC set up a Task Force to review the various investigations; its report dated 20 November 2021, concluded that the athlete had no previous injury prior to the tournament. It would seem that the respect of the medical processes, which should be put in place for such type of competition by AIBA and the local organising committee, might be questionable.

## **2.3. On the Governance**

### **2.3.1 Professor Ulrich Haas Report**

In June 2021, the AIBA Board of Directors appointed a group of lawyers led by Professor Haas to elaborate recommendations for its governance reform.

In their report dated 15 November 2021, Professor Haas and his colleagues made various recommendations based on high standards of governance. In particular, recommendations were made on various areas, such as:

- integrity, including the set-up of an Independent Integrity Unit: one of its missions must be to strengthen the integrity criteria so that future elected/appointed positions within AIBA must be held by people with an irreproachable reputation;
- democracy, with in particular a reduced Board of Directors, the dissolution of the current Council and the reorganisation of the various committees, including a new Finance Committee;
- checks and balances, with a new CEO function and the dissolution of the current AIBA President's Office team; and finally
- special crisis management with the support of a Liaison Officer.

For more information, please refer to the report [here](#).

On 26 November 2021, the AIBA Board of Directors approved the governance reform measures proposed by Professor Haas and his team. The motions required for the implementation will be proposed for approval by the AIBA Extraordinary Congress to be held on 12 December 2021.

## **3. Analysis of the three areas of concern**

### **3.1. Finance**

Following the EY report, the IOC acknowledges that, with the financial revenue provided in particular by the Gazprom contract, the part of the indebtedness including the liability towards the company Benkons was paid off. However, it is noted that the contingent liability related to the FCIT contract (over USD 18.9 million plus interest as per AIBA's financial statements as at 30 June 2021) is still open, the claim being contested by AIBA and no settlement having been reached to date.



Real financial transparency is still to be reached. This is illustrated with the Gazprom contract, which AIBA did not share with the IOC. It must be noted that a very restrictive non-disclosure agreement was proposed by the IOC, which AIBA refused; AIBA agreed however to enter into a non-disclosure agreement with EY.

Due to the non-disclosure of the content of the contract with Gazprom, in particular the global amount paid by Gazprom and AIBA's performance obligations from the contract, it is not clear what the real nature of this contract could be. This also raises questions about how this contract was negotiated and approved by AIBA.

Already in 2019, AIBA's financial dependence on consecutive single sources of revenue from external investors was highlighted and defined as one of the causes of its indebtedness. The importance of the Gazprom contract, in proportion to the other revenues, may raise the risk of falling into a similar scheme. Therefore, the IOC encourages AIBA to develop its capacity to be more financially diversified and thus to become more sustainable in the long term.

It should also be noted that the International Federation's dependence on a state-owned company may also raise concerns regarding the potential situation of conflict of interest and autonomy.

As a consequence, the IOC encourages AIBA to increase its financial transparency and diversify its sources of revenue. In the meantime, the IOC will continue to monitor the evolution of AIBA's financial situation.

### **3.2. Refereeing & Judging (R&J)**

The boxing tournament at the Olympic Games Tokyo 2020 demonstrated that it is possible to organise boxing competitions without putting the credibility of the results into doubt. The processes gained the full support and satisfaction of the vast majority of the athletes and the delegations.

PwC's audit of the AIBA Men's World Championships in Belgrade (Serbia) highlighted the remaining risks regarding integrity linked to potential human interference in the AIBA R&J process.

Therefore, the IOC encourages AIBA to change its R&J process to ensure the integrity of this process.

PwC, with the support of experts, will monitor the integrity of AIBA's own competitions ahead of the Olympic Games Paris 2024. Such assessment will also be taken into consideration for the inclusion of boxing in the Olympic Games programme.

### **3.3. Governance**

The IOC already acknowledged improvements through the first 2020 AIBA constitutional reform, which were illustrated in the ASOIF Survey results. However, the governance reform measures proposed by Professor Haas' team, which have been approved by AIBA's Board of Directors, still need to be adopted by the Extraordinary Congress and to be fully implemented.

The IOC notes that Professor Haas has been asked to support AIBA to facilitate the full implementation of the measures recommended. In addition, it is also noted as part of this process that the elections for the renewed Board of Directors will take place in 2022.

The IOC encourages AIBA to fully and effectively implement the set of recommendations proposed by Professor Haas and his team before the IOC can reassess the situation.

In addition, the IOC encourages AIBA to ensure that all national teams are able to participate in AIBA's competitions, including with formal written reassurance from the relevant national authorities when needed.



## 4. Recommendations

Based on the above interim report, it is recommended that the IOC Executive Board tasks the IOC Director General and the IOC Chief Ethics and Compliance Officer with:

- Defining a roadmap in consultation with AIBA to address the following areas of concern, in particular but not limited to:
  - With regard to finance, to increase financial transparency and sustainability including through diversification of revenues;
  - With regard to the credibility of the boxing competitions, to change its R&J process to ensure its integrity under the monitoring of PwC, including a monitoring period for AIBA's own competitions ahead of the Olympic Games Paris 2024; and
  - With regard to governance, to ensure the full and effective implementation of all the measures proposed by Professor Haas and his team, including the change of culture.
- Keeping the IOC Executive Board updated.

Should the above-mentioned conditions be met by AIBA to the satisfaction of the IOC, the suspension of AIBA's recognition could be lifted in 2023.

Boxing's inclusion on the list of sports for the Olympic Games Los Angeles 2028 should be subject to AIBA meeting the above conditions.

The IOC Director General and the IOC Chief Ethics and Compliance Officer

Lausanne, 8 December 2021