

# The Boom of a Brazilian Club: Money Out of Nowhere?

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**By Rafael Maranhao**

**One retired Brazilian judge that worked for many years in cases of money laundering said: "I don't know why these men took so much time to realize that football is one of the best ways to clean their money".**

**They took a lot of time, but they finally did.**

**In Brazil, we have one of these men. He arrived a year and a half ago looking for a football club where he could invest money.**

**His name is Kia Joorabchian, at least his most common name, because he holds other four different identities, such as Kia Kiavash or Kiavash Joorabchian.**

**Mr. Kia Joorabchian was born in Iran, but when he was young he moved to England (or Canada, it depends on the situation and the passport he is using). Before going to Brazil Kia lived in London, where he still has an office.**

**He knocked at Corinthians' door and asked if the second most popular Brazilian football club would like a little help. He promised to pay club debts (20 million dollars) and hire some of the best South American players.**

**To prove what he was saying, Kia introduced some of his friends, partners, some of these men, to Alberto Dualib, the president of Corinthians. Kia, Dualib, his granddaughter and two Corinthians directors traveled to Europe to meet them.**

**When Dualib went back to Brazil he was so fascinated that he just said: "They are filthy rich, we cannot lose this opportunity".**

**All he had to do, the only Kia's request, was not tell anyone about the partners. Never tell anyone where the money comes from, because the partners didn't want publicity.**

**Trying to pretend things were clear, Kia Joorabchian presented himself to Corinthians associates as the head of MSI, Media Sports Investment, a new group of football investors. It didn't help that much. Corinthians opposition group soon would find out MSI had no offices in Brazil and just a small office in London, the same Kia used for other five companies (all of them with no more than a thousand pounds capital). But the majority of Corinthians associates were connected to Dualib and the contract with MSI was finally approved in November the 23<sup>rd</sup>. This contract allows Kia and his partners to take all the decisions concerning football: players, coaches, sponsors, marketing, tv rights, everything.**

**In January, MSI hired the argentine Carlitos Tevez from Boca Juniors for what was announced as the biggest negotiation ever between two South American clubs: 22,6 million dollars. But the money never get close to South America. It left an offshore company in Virgin Islands and was deposited in a Boca Juniors account at the Royal Bank of Canada.**

**In less than a year, MSI spent more than 60 million dollars with players. These men really wanted to be part of brazilian football.**

**But why?**

**Would you invest money in something that you know couldn't be profitable? 60 million dollars?**

**It was clear that there was something wrong.**

**In March, brazilian prosecutors from the state of Sao Paulo started to investigate the Corinthians/MSI contract. They asked Kia Joorabchian and Alberto Dualib to explain a few details about it, but the most important informations they couldn't provide: Whose money was that? Where did the money come from?**

**Well, in fact, Kia told the money came from the MSI Group Limited, placed in Virgin Islands, a famous caribbean tax heaven. His group created this off-shore company to avoid brazilian taxes, at least it was what he said. It didn't explain that much but showed one more evidence that Kia was trying to hide something.**

**Another important evidence: all the money transfers for Corinthians players negotiations were made via free e-mail accounts, as a hotmail, for instance. It is a pattern of money laundering because makes difficult to follow the track of money.**

**Since Kia arrived at Corinthians much was told about his possible connections to Russian billionares such as Roman Abramovich and Boris Berezovsky. Nothing had been proved. Until some investigations from brazilian intelligence agency (Abin) and Interpol, that revealed he was really close to at least one of them: Boris Berezovsky.**

**Berezovsky lives in London thanks to a political asylum given by UK government. He has been wanted by Russian authorities for misappropriation of large sums of money and large-scale fraud. He is also accused of connections with Chechenian mob and organized crime in Russia.**

**Berezovsky is suspect of being involved in the murder of the journalist Paul Klebnikov, that wrote a book about him called "The Godfather of Kremlin – The decline of Russia in the age of Gangsters Capitalism". In this book, Klebnikov revealed that Berezovksy even got in contact to Osama Bin Laden during the time he supported the Chechenian terrorists.**

**Kia Joorbabchian is an old Berezovsky friend. He helped the russian tycoon to buy the**

newspaper Kommersant, in Moscow. The owner of Kommersant didn't want to see the paper in hands of local oligarchs. Kia presented himself as a irani-born businessman that wish to invest in Russian market. Three months later, Berezovsky took the control of the newspaper. Kia Joorabchian had another irani-born as partner in this negotiation. His name is [name anonymised by request, 2018], an he also appears in some Corinthians MSI business.

When Kia and Alberto Dualib went to Europe, in the beginning of Corinthians-MSI negotiations, they met Boris Berezovsky. And they flew in Berezovsky plane from London to Tbilisi, Georgia. There at the former soviet republic, Kia and Dualibi met another important partner, with a name difficult to speak: Badri Patarkatsishvili.

As Berezovksy, Badri has a bad reputation and is also wanted in Russia. He is the wealthiest man in Georgia an made his fortune working for Berezovsky. Badri was Berezovsky's connection to Chechenian mob and heroin dealers and also to the Russian organized crime, notably a group called Solntsevo Brotherhood.

In Georgia, Badri owns TVs, newspapers, casinos, a mineral-water company and a football club (Dinamo Tbilisi, allegedly involved in match fixing at one Uefa Cup match last season). He is also building an important port at the Caspian Sea. Besides, Badri bankrolls his country's bid for 2014 Winter Olympics.

Regarding connections between Kia Joorabchian and Roman Abramovich, besides the fact Corinthians and Chelsea have the same sponsor (South Korean company Samsung Eletronics), the only link found is a man called Pinhas Zahavi, nicknamed Pini. Born in Israel, he is the one who introduced Roman Abramovich to the world of football. Pini played the largest role in the transformation of Chelsea. He is the head of GSA, Global Soccer Agency, placed in Gibraltar. This company usually negotiate players to Portuguese football and is trying to do with a club in Poland, KSP Warszawa, the same MSI did with Corinthians. When the MSI paid more than eight million dollars for Carlos Alberto, from FC Porto, Kia's and Pini's companies split the rights of a future negotiation. When Carlitos Tevez was transfered to Corinthians, the negotiation was carried out by an argentine agent called Fernando Hidalgo. He is Pini's partner in another company: HAZ Sports. H of Hidalgo. Z of Zahavi.

MSI doesn't deal only with GSA, but also with GSI. These men are not so creative with names. GSI means Global Soccer Investments. In August, this company hired a young and modest Corinthians player named Jo for 5.2 million dollars, much more than anyone could ever expect for a so few-talented forward that played for the second team. In Portugal, where GSI works, FC Porto's president, Fernando Gomes, said: "We know who is the head of GSI, but we are not allowed to say". Gomes just admitted the investors are "foreigners". The story is the same.

After the proofs found by investigations, Kia's partners decided they shouldn't hide themselves anymore. Suddenly, Berezovsky and Badri start talking about the MSI deal. If you talk about it, maybe people will quit asking and speculating. That was exactly

what Roman Abramovich did in Russia when nobody knew anything about him, not even as he looked like, and some newspapers offered money for his picture.

Berezovsky just admitted he targets brazilian football because he wants to build a stadium there, since Brazil will probably host the 2014 World Cup. However, he still denies having put money in Corinthians. Badri doesn't. Two months ago, interviewed by Georgian press, the billionaire said he and Berezovsky have invested in Corinthians and were thinking about doing the same with London's West Ham United. He also said: "I have a couple of football investments with friends that I am reluctant to mention. I think money has a wonderful habit of flowing where it feels comfortable".

Why does it feel comfortable in Brazil? Because financial control and fiscalization are not high and because interest rates are among the highest in the world.

Why does it feel comfortable in football? Because nobody questions if you pay 30 million dollars for a player. Nobody knows exactly how much it costs. It's not a car, a house. And you can easily send millions from a continent to another. If want to clean your money, there is no better place.

Corinthians is top of brazilian league six points ahead, five matches left. For most of club supporters, 15 million around the country, MSI was a gift, the best thing could happened.

For prosecutors, as soon as the season ends, it will be time to see if MSI is going to negotiate some of his players abroad. And then, follow the track of the money once again.

The director of a major brazilian club, Flamengo, that was invited to the last G-14 meeting in Portugal said he heard concerns about a strategy to establish a world football conglomerate. Perhaps Chelsea would be the head office. He doesn't speak openly about it. If Flamengo, with 75 million dollars debts, were invited by some MSI, GSA or GSIs, he would probably accept it. The list of clubs that were sounded out by this companies around the world is not small: Feyenoord, Deportivo La Coruña, West Ham, KSP Warszawa, Benfica, São Paulo, Palmeiras, Santos...

Maybe one day money will fell comfortable everywhere in the world of football.