



Fiosrúchan Uí Mhóráin

Moran Inquiry

*(Inquiry into the receipt, distribution and sale of tickets to Olympic Games
and ancillary matters)*

Mr. Justice Carroll Moran

Sole Member

REPORT

This Report is prepared for submission to the Minister for Transport, Tourism and Sport and the Minister of State with responsibility for Tourism and Sport pursuant to the Inquiry established on the 19th September 2016.



The Hon. Mr. Justice Carroll Moran
SOLE MEMBER OF THE INQUIRY.

Dated this 9th day of June, 2017.

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Chapter One

Introduction

1.1 Background

On the 5th August 2016, hours before the opening of the Olympic Games at Rio de Janeiro, Kevin Mallon was arrested by Brazilian police. A businessman from Ireland, Mr. Mallon was a director of T.H.G., a worldwide company providing ticketing and corporate hospitality services. It was reported in the media that, at the time of his arrest, Kevin Mallon had more than 800 Olympic tickets in his possession, many for high profile events. The public controversy, set in motion by this arrest, gained considerable traction with the events of the following days.

Subsequently, on the 15th August 2016, a Brazilian judge issued warrants for the arrest of four other executives of T.H.G., namely Marcus Evans, Martin Studd, David Gilmore and Maarten Van Os.

On the 17th August 2016 Patrick Hickey, President of the Olympic Council of Ireland, (O.C.I.), was arrested by police in Rio de Janeiro and charged with offences under Brazilian law relating to the sale of tickets.

The foregoing matters are not the result of any facts furnished to the Inquiry, but are mentioned as background having been in the public domain and extensively reported by the media.

Subsequently, the Minister for Transport, Tourism and Sport, Shane Ross and Patrick O'Donovan, the Minister of State with responsibility for Tourism and Sport, commissioned me to chair this Inquiry.

The Inquiry was established on the 19th September 2016. The original deadline for the submission of its report was twelve weeks, which was the 12th December. For the reasons hereinafter appearing, this was not feasible and the Ministers agreed to extend the date, ultimately to the 9th June 2017.

Unless otherwise stated to the contrary, all references in this Report to offices or positions occupied by persons are those held by them on the Opening Day of the Olympic Games in Rio de Janeiro, namely the 5th August 2016.

1.2 Terms of Reference

The Terms of Reference of this non-statutory Inquiry, dated the 24th August 2016, are as follows:-

“In August 2016, law enforcement authorities in Brazil initiated an investigation into the reselling of tickets for the Rio Olympic Games. The Brazilian authorities have stated that the tickets at the centre of their investigation were originally allocated to the Olympic Council of Ireland.

“On 19 August 2016, Ministers Shane Ross and Patrick O’Donovan decided to establish a non- statutory inquiry to be chaired by a retired Judge in order to inquire into the circumstances and facts concerning this matter.

“The Terms of Reference for the inquiry are:

“1. To establish the policies, procedures, processes and practices relevant to:

- a. the receipt, distribution and sale of tickets allocated by the International Olympic Committee (including its subsidiaries and/or agents, hereafter referred to as the IOC) to National Olympic Committees;*
- b. accreditations given by National Olympic Committees (such accreditations providing individual accreditation holders with access to Olympic Games events and transport to and from the events).*

“2. To inquire into:

- a. the stated policies, procedures, processes and practices adopted by the Olympic Council of Ireland (including its subsidiaries and/or agents, hereafter referred to as the OCI) governing the receipt, distribution and sale of tickets allocated by the IOC to the OCI for Summer and Winter Olympic Games;*
- b. the stated policies, procedures, processes and practices adopted by the OCI governing all accreditations allocated by the OCI for Summer and Winter Olympic Games;*
- c. the implementation of those policies and procedures, and the actual processes (including any procurement process and any contract awarded by the OCI) and practices (including any resale of any tickets as part of hospitality packages), in the case of the accreditations and tickets allocated to the OCI for:*
 - i. the 2016 Summer Olympic Games,*

- ii. *the 2014 Winter Olympic Games,*
- iii. *the 2012 Summer Olympic Games, and*
- iv. *any previous Summer or Winter Games into which the Judge wishes to inquire;*

“3. Ancillary to the above, to inquire into any matter that the Judge considers necessary, including corporate governance within the OCI and the State funding of the OCI by Sport Ireland and its predecessor, the Irish Sports Council;

“4. Arising from the above, to make any recommendations arising from the inquiry, e.g. recommendations regarding:

a. the establishment of a formal commission of investigation, on a formal statutory basis, to look into any matters raised by this non-statutory inquiry;

b. the OCI’s policies, procedures, processes and practices governing accreditations and the receipt, distribution and sale of tickets allocated the OCI;

c. the corporate governance within the OCI; and

d. any other matter which the Judge considers appropriate for inclusion in the recommendations made;

“5. Having inquired into the above matters, to present a report to both the Minister for Transport, Tourism and Sport, and the Minister of State with responsibility for Tourism and Sport, setting out the findings and recommendations of the inquiry, within 12 weeks of the commencement of the inquiry;

- “6. *As part of the Inquiry’s remit, the Judge may:*
- a. commission her/his own work as she/he sees fit, including any analysis, assessment or other work required to be commissioned from independent auditors or accountants; and*
 - b. consult with any person or organisation as she/he sees fit.”*

1.3 Glossary

Athletes’ Family and Friends Tickets (A.F. & F.) were tickets, (generally limited to two), purchased by an athlete’s family or friends for each session in which the athlete was competing, for which a refund would be paid by the O.C.I. This programme is explained in more detail at Chapter 4.8.

Authorised Ticket Reseller (A.T.R.) is the company appointed to be the exclusive official ticketing operator by a National Olympic Committee, (N.O.C.), for the Olympic Games, subject to the approval of the Local Organising Committee. The A.T.R. for the O.C.I. in Rio de Janeiro was Kmepro Ltd. trading under the title of Pro10 Sports Management.

The Court of Arbitration for Sport, (C.A.S.), is an international quasi-judicial body established to settle disputes related to sport through arbitration. Its headquarters are at Lausanne in Switzerland.

The International Olympic Committee (I.O.C.) is the supreme body of the International Olympic Movement with its headquarters at Lausanne in Switzerland.

Kmepro Ltd. is a company incorporated with limited liability carrying on the business of selling Olympic tickets under the name or title of Pro10 Sports Management. Kmepro Ltd. was incorporated on the 28th April 2015. Its directors, as on the opening day of the Rio Games, (the 5th August 2016), are set out in the Selected Dramatis Personae at Chapter 1.4.

Marcus Evans Group, founded in 1983, now based in Bermuda, is an event management business operating around the world. It is the parent of T.H.G. See the entry for T.H.G. below.

The National Olympic Committee (N.O.C.) in each sovereign country is a constituent of the worldwide Olympic Movement. The Committee is responsible for organising its country's participation in the Olympic Games.

The Olympic Council of Ireland (O.C.I.) is a company, under the title of the Olympic Council of Ireland Ltd., limited by guarantee and not having a share capital. It is the Olympic Representative body for all Ireland, with athletes in Northern Ireland having the right to choose between competing under its aegis or under that of the British Olympic Association. The members of its Executive Committee, as on the opening day of the Rio Games, (the 5th August 2016), are set out at the Dramatis Personae at chapter 1.4 below.

Pro10 Sports Management (Pro10) was appointed by the O.C.I. as the Authorised Ticket Reseller for the Rio Olympic Games. Pro10 Sports Management is a business name registered by Kmepro Ltd.

The Rio Organising Committee for the Olympic Games (R.O.C.O.G.) is responsible for overseeing the planning and development of the 2016 Olympic Games, including oversight of the distribution and sale of tickets to events. Its leading personnel mentioned in this Report are set out in the Selected Dramatis Personae at Chapter 1.4 below.

Sport Ireland, previously known as the Irish Sports Council, is the statutory body established to plan and support the development of sport in Ireland. Its principal functions under the Sport Ireland Act 2015 are set out at Chapter Eleven.

T.H.G. Sports (The Hospitality Group) (T.H.G.) is a constituent part of the Marcus Evans Group, providing ticketing services and corporate hospitality programmes at sporting events throughout the world.

T.H.G. is the name usually given to Ireland's A.T.R. at the Olympic Game at London in 2012 and at Sochi in 2014. Because different entities of the Marcus Evans Group have been identified as the body on behalf of which Marcus Evans signed the agreements to become the A.T.R., the Inquiry sought to resolve any ambiguity about its identity through correspondence with T.H.G.'s solicitors, Mason Hayes and Curran. See the First Appendix, Document One for the Inquiry's letter of the 7th December 2016 and the reply of the 16th December wherein the matter is explained by the solicitors.

In any event, all persons engaged with the Inquiry have described the A.T.R. as T.H.G. and, similarly, unless the contrary appears, in this Report such A.T.R. will be described as T.H.G.

Ticket Sales Agreement (T.S.A.) is an agreement between a N.O.C. and its chosen A.T.R., subject to the approval of the I.O.C. and the local Organising Committee, providing the terms and conditions by which the A.T.R. would sell tickets for the events at the Olympic Games. See Chapter 4.4 and the Fourth Appendix, Document Three for more details.

1.4 Selected Dramatis Personae

The Olympic Council of Ireland (O.C.I.)

Members of the Executive Committee of the Olympic Council of Ireland (O.C.I.) on the opening day of the Olympic Games in Rio de Janeiro, that is on the 5th August 2016.

The years in brackets denote the year that person became a member of the Executive Committee.

President:	Patrick Hickey	(Judo)	(1982)	
				(elected President in 1989)
First Vice-President	William O'Brien	(Archery)	(1996)	
Second Vice-President	John Delaney	(Football)	(2005)	
				(resigned 25/10/16)
Hon. General Secretary	Dermot Henihan	(Rowing)	(1996)	
Hon. Treasurer	Kevin Kilty	(Shooting)	(2011)	
				(resigned 20/10/16)
				also Chef de Mission in Rio de Janeiro
Ordinary Members:	Billy Kennedy	(Cycling)	(1992)	
	Sonia O'Sullivan	(Athletics)	(2013)	
	Ciarán Ó Catháin	(Athletics)	(2014)	
				(resigned 2/11/16)
	Sarah Keane	(Swimming)	(2014)	
	Thomas Murphy	(Boxing)	(2014)	
	Robert Norwood	(Snowsports)	(2014)	
	Tom Rafter	(Fencing)	(1996)	
Chairman of Athletes' Commission:	Darren O'Neill	(Boxing)	(2014)	

Full-time officers and staff of the Executive Committee on the same day, that is on the 5th August 2016. The years in brackets denote the year that person joined the staff of the O.C.I.

Stephen Martin	Chief Executive Officer	(2009)
Martin Burke	Sports Director of the O.C.I.	(1993)
Linda O'Reilly	Personal Assistant to the President	(2009)



On the 9th February 2017, at an extraordinary meeting of the Council the following were elected to the Executive Committee.

President:	Sarah Keane	(Swimming)
First Vice-President	Colm Barrington	(Sailing)
Second Vice-President	Robert Norwood	(Snowsports)
Hon. General Secretary	Sarah O'Shea	(Snowsports)
Hon. Treasurer	Billy Kennedy	(Cycling)
Ordinary Members:	Georgina Drumm	(Athletics)
	Ciaran Gallagher	(Gymnastics)
	Robert Johnson	(Hockey)
	Patrick John Nolan	(Cycling)
	Darren O'Neill	(Boxing)
	Denis Toomey	(Paralympics)
	Lochlann Walsh	(Triathlon)

T.H.G.

See the entry in the Glossary at Chapter 1.3 for the use of the term of T.H.G.

Marcus Evans The eponymous owner of Marcus Evans Group, the parent of T.H.G., of which he is a director. He is also the owner and chairman of Ipswich Town Football Club.

David Gilmore Legal Counsel to and director of T.H.G.

Kevin Mallon A director of T.H.G.

Martin Studd A director of T.H.G.

Maarten Van Os A director of T.H.G.

Kevin Mallon was arrested in Rio de Janeiro on the 5th August 2016, hours before the Opening Ceremony of the Olympic Games. Arrest warrants for the other four of the said directors were issued by a Brazilian judge on the 15th August 2016. See Chapter 1.1

Kmepro Ltd.

The directors of Kmepro Ltd., (on the 5th August 2016), were

Eamonn Collins

Michael Glynn

Ken Murray

The International Olympic Committee (I.O.C.)

Thomas Bach	President
Christophe de Kepper	Director General
Christophe Dubi	Executive Director of Olympic Games
Père Miro	Deputy Director General for Relations
Howard Stupp	Director of Legal Affairs
Christian Thill	Senior Legal Counsel
Toshio Tsurunaga	N.O.C. relations

The Rio Organising Committee of the Olympic Games (R.O.C.O.G.)

as of the 5th August 2016.

Carlos Nuzman	President
Sidney Levy	Chief Executive Officer
Sarah Patersen	Continental Manager, N.O.C./N.P.C. Relations and Services Department
Vassia Mazanitou	N.O.C. Continental Manager for Europe
Dasha Mischenko	N.O.C. Relations Co-ordinator for Europe
Aurélie Berak	Ticketing Group Sales Manager
Donovan Feretti	Ticketing Director
Sergio Mazzillo	Legal Counsel to R.O.C.O.G.
Luiz Guilherme	In the Legal Department of R.O.C.O.G.

Others:

Matthieu Reeb

Secretary General of the Court of Arbitration
for Sport in Lausanne

Franklin Gomes

Brazilian lawyer for Marcus Evans,
Kevin Mallon and others

Greg Harney

A director of Carton Tours Inc., a U.S.
company providing travel and ticketing
services to sports events, including the
Summer and Winter Olympic Games

1.5 CHRONOLOGY

2009

9th July

Email from Marcus Evans to Patrick Hickey refers to a recent earlier dinner and a proposal that Marcus Evans Ltd. become the ticket agent for the O.C.I.

28th July

The President reports to the Executive Committee an approach by Marcus Evans to operate a ticketing programme for the London Olympic Games.

2010

5th March

US\$ 1 million payment by T.H.G. lodged to the account of the O.C.I.

22nd June

Proposal to the Executive Committee that Mr. Hickey be paid an honorarium of €60,000.

2011

16th Dec.

Meeting of the Executive Committee at which Patrick Hickey reported that T.H.G. had offered US\$ 600,000 to renew the ticket agency for the Rio Olympic Games.

2012

27th March

Date of the contract between O.C.I. and Marcus Evans to be the A.T.R. for the Rio Olympic Games for a rights fee of US\$ 600,000, signed by Marcus Evans on the 28th March 2012 and by Patrick Hickey in July 2012.
(See the Fifth Appendix, Document Two)

2013

5th Feb.

Decision of the Executive Committee to exclude its C.E.O. from meetings.

2014

7th Nov. Deadline for the approval of an A.T.R. for Rio2016.

2015

31st Jan. End of ticketing request period.

13th March Letter from R.O.C.O.G. to the I.O.C. rejecting T.H.G. as A.T.R.

28th April Incorporation of Kmepro Ltd.

5th May Rejection by R.O.C.O.G. of T.H.G. as the A.T.R.

6th May E-mail from Marcus Evans to Patrick Hickey entitled “*My Thoughts*”, suggesting an alternative to T.H.G. as the A.T.R. for Ireland. See Chapter 5.8

20th May Registration of the business name of Pro 10.

22nd June Contract between O.C.I. and Pro10 for Pro10 to be the A.T.R. for the Rio Olympic Games for a rights fee of US\$ 100,000.

28th Oct. Ticket Sales Agreement between R.O.C.O.G. the O.C.I. and Pro 10.

27th Nov. Letter from R.O.C.O.G. approving the appointment of Pro 10 as A.T.R.

30th Nov. Meeting of the Executive Committee at which the said appointment of Pro10 was not recorded in the minutes.

2016

- 4th Feb. Discussion of the Rio Games at a meeting of the Executive Committee of the O.C.I. but no mention of Pro10.
- 29th March Payment by O.C.I. to Pro10 by electronic transfer of €86,765.15 (US\$ 97,004.26) for the allocation of Olympic Family Tickets.
- 7th April Financial Report showing receipt of €14,000 from Pro10 before the Executive Committee.
- 20th April Arrival in Geneva of Patrick Hickey and Marcus Evans.
- 8th June Martin Burke, Sports Director of the O.C.I. collected 678 of the 760 Olympic Family tickets from David Gilmore.
- 22nd July Email from Greg Harney to Patrick Hickey referring to Kevin Mallon, the receipt of which was acknowledged by Patrick Hickey on the 25th July.
- 3rd August Emails between Patrick Hickey and Marcus Evans that Pro 10 has tickets over which it does not need.
- 5th August Opening Ceremony of the Olympic Games
Kevin Mallon of T.H.G. was arrested on the same day, just hours before the Opening Ceremony.
- 10th August Email from Marcus Evans to Patrick Hickey asking for thoughts on a reply by Pro10 to R.O.C.O.G., drafted by T.H.G.
- 11th August Television Interview on R.T.E. of Patrick Hickey.
- 15th August A Brazilian Judge issued warrants for the arrest of four executives of T.H.G., Marcus Evans, Martin Studd, David Gilmore and Maarten Van Os.

2016

- 16th August Warning from Greg Harney of Carton Tours Inc., that R.O.C.O.G. has sent letters to Latvian, Greek and Slovenian N.O.C.s about unauthorised selling of tickets; (a similar letter had been sent to Pro10 on the 10th August 2016).
- 17th August Arrest of Patrick Hickey in Rio de Janeiro.
- 21st August Closing Ceremony of the Olympic Games.
- 6th Sept. Patrick Hickey charged with criminal offences by the authorities in Rio de Janeiro.

1.6 The Nature of the Inquiry

By reason of its non-statutory basis, the Inquiry did not have any powers of compulsion. It was unable to compel parties to attend before it, to compel them to produce statements or documents or to compel them to co-operate in any way. Accordingly where participants did attend before the Inquiry or provided information to the Inquiry, they did so on a wholly voluntary basis.

When participants did attend for consultation or interview, in keeping with the non-statutory nature of the Inquiry, they were not requested to give evidence under oath; rather they were asked by the Inquiry to assist by way of oral account in relation to matters of interest to the Inquiry and within the Terms of Reference. No other persons or participants were present for such interviews, and the Inquiry did not, and could not, conduct adversarial proceedings whereby such oral accounts were tested by other persons or participants.

Accordingly, the effectiveness of the Inquiry depended on a willingness to co-operate. As appears hereafter, its work was hampered by the absence of co-operation, not only from some of the main parties, but also from international bodies, such as the I.O.C. and R.O.C.O.G. Because this Report is confined to the facts communicated by participating parties, there may be information significant to the issues herein of which the Inquiry is unaware by reason of the silence of parties not participating.

In addition to the scoping function of the Inquiry (per paragraph 4(a) of the Terms of Reference) to address the issue of whether a Commission of Investigation should be established, the Inquiry (per paragraph 5 of the Terms of Reference) is required to present a report to the relevant Ministers setting out “*the findings and recommendations of the Inquiry*”.

As regards the latter function, and in light of the non-statutory nature of the Inquiry, the reference to “*findings*” relates to the findings of the Inquiry following on from its information gathering and interviewing processes (as described herein) rather than findings in the legal sense of adjudications of fact or law.

1.7 The Focus of the Inquiry

Given the short timeframe in the Terms of Reference, the difficulties (mentioned hereafter) in securing co-operation from the main participants and the immediacy of the recent events in Rio de Janeiro, the Inquiry felt it was constrained initially to focus its attention on the Olympic Games of 2016 and to defer consideration of the two earlier Games.

In all the circumstances facing it, the Inquiry has concentrated on what was felt to be most relevant, namely

- the policies and practices for selling tickets at Rio2016
- the circumstances surrounding the appointment of an Authorised Ticket Reseller (A.T.R.) for Rio2016
- the complaints from the public about buying tickets,
- the inadequate role of Pro10 as an A.T.R.,
- following the appoint of Pro10 as the A.T.R., the concealed relationship between Patrick Hickey and T.H.G. and
- the governance of the Olympic Council of Ireland (O.C.I.).

Because of the manner in which the Inquiry evolved, the Inquiry has decided not to proceed further with the investigation of the earlier Games in London and

Sochi. This is in the interest of providing an expeditious and proportionate report for the Minister for Transport, Tourism and Sport and the Minister of State for Tourism and Sport.

The difficulties encountered by the Inquiry by reason of the said lack of co-operation would be many times magnified in an investigation of events at the earlier Games three to five years ago. Certainly, an investigation into these earlier events would have prolonged the Inquiry by a considerable period.

While this Report has concerned itself with Rio2016, there are references to the 2012 Olympic Games, for example at Chapter 6.12 on the subject of a reconciliation account for the disposal of tickets at London.

1.8 Methodology

The Inquiry compartmentalised its work into different phases:

The first was an information-gathering exercise in which all the anticipated interested parties were asked to submit a factual account by means of a written statement, furnishing answers to questionnaires, or to do both.

The second was, on receipt of such statements and/or answers, to conduct oral consultations with persons who the Inquiry believed had a contribution to make. If, in an original statement, a person denied any knowledge of material facts, the Inquiry did not see a need to consult that person further. It was for this reason that certain members of the Executive Committee of the O.C.I. were not invited to an oral consultation.

The third was to conduct an analysis of the information received, after which a draft Report was prepared.

The fourth was to put to all concerned those parts of the said draft Report which possibly affected them adversely and, thereafter, to consider any replies thereto.

The fifth was to complete the final Report and to submit it to the Ministers named in the Terms of Reference.

While opinions on Brazilian law were furnished by some parties, the Inquiry did not see it within its remit to seek or to obtain its own advice on the law of that country.

1.9 Acknowledgments

The Inquiry acknowledges with thanks the considerable help given by its legal team, Paul Carroll, S.C., John Fitzgerald, B.L. and David J. O'Hagan, solicitor to the Inquiry. Their expertise, application and willingness to work as a team eased the task faced by the Inquiry.

The Inquiry also appreciates the work of documentary counsel for their engagement in the drudgery of extracting relevant information from the enormous amount of electronic material provided. The Inquiry thanks Alan Byrne B.L., Daniel Fennelly B.L., Edward Murray, B.L. and Úna Ní Chatháin, B.L. Mr. Byrne is also to be thanked for the onerous responsibility of helping with proofreading and associated tasks.

The Inquiry is indebted to Sean Sweeney and Cahal Crilly of Kosi, who acted as advisory accountants. Their help was invaluable in analysing and evaluating all the accountancy and ticketing information furnished.

The Inquiry wishes to acknowledge the help of Gwen Malone Stenography Services Ltd., as well as Siobhan Zalani and Jane Fortune, the stenographers present during the various consultations.

The Inquiry thanks Ailish Neville, Secretary to the Inquiry. Ms. Neville played a significant role in the management of the paper and electronic documents and in the day-to-day details of the Inquiry's work. Her efficiency, as well as her cheerfulness and willingness to help made it a pleasure for all to work with her.

Finally the Inquiry wishes to thank Declan Geraghty, Executive Officer in the Department of Transport, Tourism and Sport, for his support.

The Inquiry appreciates the help of all persons who contributed to the Report, both those who sent in written submissions and those who attended for oral consultations. Such contributors, including those who are named in the Report, have been of considerable help, without whose co-operation the Inquiry could not have functioned.

William O'Brien, the First Vice-President, in his role as Acting President and Liaison Officer of the O.C.I., presented a written submission and attended for a consultation. When sent the draft Report, Mr. O'Brien replied and asked, *inter alia*, for a statement to be included in the Report, which statement is to be found in the First Appendix, Document Two.

Chapter Two

The Absence of Co-operation

2.1 The Need for Co-Operation

It is reasonable to suppose that the non-statutory nature of the Inquiry and its relatively short timeframe were predicated on a willingness to co-operate, a willingness which had been expressed by all the main participants:

- The International Olympic Committee, (I.O.C.),
- The Rio Organising Committee for the Olympic Games (R.O.C.O.G.),
- The Olympic Council of Ireland (O.C.I.),
- Pro10 Sports Management,
- T.H.G.
- Patrick Hickey, the President of the O.C.I.

Accordingly, the Inquiry wrote to these participants asking for a written factual account and/or sending them a questionnaire for answers which would have elicited useful information. Copies of these questionnaires are set out in the Second Appendix, Document One.

With a reasonable level of expeditious co-operation, it might have been possible to have reported to the Ministers within the twelve weeks of the establishment of the Inquiry as directed in the Terms of Reference . In the event, by the expiry of the twelve weeks, (on the 12th December 2016), with one exception, (the O.C.I.), the Inquiry had not received any of the requested written factual accounts or answers to questionnaires. Such accounts or answers were a necessary prerequisite to completing the first phase of the Inquiry: namely, the accumulation of relevant information.

T.H.G. indicated it was unable to co-operate by reason of legal advice as to the right against self-incrimination. (See Chapter 2.2.4). Pro10 indicated the same reason for non-co-operation with the Inquiry. (See Chapter 2.2.5). The I.O.C. indicated that while prepared to co-operate, its legal advice was, in view of the pending criminal case in Brazil, not to disclose information other than to the appropriate authorities in that country. Patrick Hickey was asked to return a factual written account of events, which he was unable to do for reasons given in the correspondence which appears below at Chapter 2.2.6.

R.O.C.O.G. failed to answer correspondence from the Inquiry.

The Inquiry acknowledges the right against self-incrimination and recognises that it may be a valid basis for refusing to answer questions.

Nonetheless, in the particular circumstances applying here, two comments ought to be made.

First, reliance on the right against self-incrimination need not have universal application. For example, not everything to be disclosed need be prejudicial or capable of adverse interpretation against the party making the statement. General matters of a non-contentious nature, easily accessible to the public, may not fall within this privilege.

Secondly, the length of time to communicate the decision to invoke this privilege added considerably to a delay in the Inquiry carrying out its work.

2.2 The Response of the Main Participants

2.2.1 International Olympic Committee

Because the first matter in the Terms of Reference concerns the receipt, distribution and sale of tickets allocated by the International Olympic Committee (I.O.C.), on the 26th September 2016 the Inquiry began a correspondence with its Director General, Christophe de Kepper. In answer to the request for a written statement and supporting documents, Mr. de Kepper replied that

“while the I.O.C. is prepared to cooperate with you in relation to your Inquiry, we have been advised that, in view of the pending criminal case in Brazil, we should not disclose information concerning the matter, other than to the appropriate authorities in Brazil.”

The Inquiry took the view that this was a misplaced argument in that the information requested was for neutral facts of a general nature, probably in the public domain and which, of themselves, could not prejudice any criminal prosecution and wrote accordingly to Mr. de Kepper.

Mr. de Kepper replied, finally, by e-mail dated the 17th October 2016

“At this stage I am sorry that I can only confirm the position expressed in my previous correspondence. This is based on advice received in relation to the I.O.C.’s position toward the pending criminal case in Brazil. I shall not fail to inform you when the I.O.C. will be able to change its response.”

2.2.2 Rio Organising Committee for the Olympic Games

The Inquiry addressed an email to the Rio Organising Committee for the Olympic Games, (R.O.C.O.G.), which was sent to [REDACTED] in Rio de Janeiro, on the 11th November 2016. The email introduced the work of the Inquiry, asked for R.O.C.O.G. to nominate a person with whom to liaise and attached (a) a copy of the Terms of Reference and (b) a Questionnaire on matters about which the Inquiry needed help.

The content of the said Questionnaire is set out in the Second Appendix, Document One.

Aurélie Berak replied by email on the 21st November 2016, stating that R.O.C.O.G. “*will gladly cooperate in this inquiry*”. This reply stated that contact should be with R.O.C.O.G.’s legal representative, Luiz Ryff, whose details were included therein.

Accordingly, the Inquiry sent an email to Mr. Ryff on the 23rd November 2016, attaching the said Terms of Reference and the said Questionnaire. It requested a return of the Questionnaire and concluded “*Given your undoubted experience and knowledge of how these things work, any help you can give me on these matters would be of enormous benefit and would be greatly appreciated.*”

No reply had been received by the 6th December 2016 and on that day the Inquiry sent a reminder by email, stating that it was “*anxious to make progress in its work.*”

On the 15th December 2016 the Inquiry emailed Ms Berak

“The Inquiry understands that R.O.C.O.G. may have prepared and used a manual for ticket sales, possibly guiding N.O.C.s and prospective A.T.R.s on the appointment and selling processed. It would be of enormous benefit to this Inquiry if we could be given a copy of this document. The document in electronic form would suit best.

“The Inquiry has also written to Mr. Ryff on other related matters but has not heard back - perhaps Mr. Ryff is away? Any further assistance you could give the Inquiry on this would be very helpful.”

On the 12th January 2017 the Inquiry wrote again to Ms. Berak

“The Inquiry would welcome an early response to my email of 15th December 2016 requesting advice on the availability of the I.O.C. / R.O.C.O.G. Manual for Ticket Sales.

“It would also welcome any observations you may wish to make regarding Mr. Ryff’s availability.

“If there is any difficulty or obstacle in the way of R.O.C.O.G. providing this assistance to the Inquiry I would be obliged to know so that the Inquiry can take this into account.”

Also on the 12th January the Inquiry wrote a second reminder to Mr. Ryff and saying also

“If there is any difficulty or obstacle in the way of you or R.O.C.O.G. providing this assistance to the Inquiry I would be obliged to know so that the Inquiry can take this into account.”

There was no response to these emails and there the correspondence between the Inquiry and R.O.C.O.G. ended.

2.2.3 Olympic Council of Ireland

In a letter of the 23rd September 2016 the Olympic Council of Ireland (O.C.I.) stated its intention to co-operate with the Inquiry. In the same letter the O.C.I. referred to its instructions to Grant Thornton, an international management consultancy firm, to review the ticket arrangements at the Rio Olympic Games and *“to prepare a report to be completed by October 10th”*.

The O.C.I. later extended this deadline and in a press release of the 27th October, stated that *“it was expected the completed report will be with Judge Moran by the 15th November”*.

The Executive Committee of the O.C.I., meeting on the 2nd November 2016, decided to instruct Grant Thornton to defer the completion of its said review. A press release at the time stated:

“The Grant Thornton review into ticketing arrangements in Rio will be postponed and completed only following the conclusion of criminal proceedings against Mr. Pat Hickey in Rio.

“This decision was taken following the receipt of a letter from Mr. Hickey’s lawyers this week in which he threatened to make an application to the High Court for an injunction preventing the completion of the review.

“The Executive Committee has decided not to incur the very significant additional cost of defending any such legal proceedings.”

The Inquiry, becoming aware of this decision through reading about it in the national press, wrote to the O.C.I.'s solicitors on the 3rd November. By letter dated the 8th November, the O.C.I.'s solicitors confirmed this position, adding that the commitment to co-operate with the Inquiry was reiterated.

Some of the material provided by the O.C.I. to Grant Thornton was made available electronically to the Inquiry in two tranches on the 11th and 22nd November 2016. It was provided in an unstructured manner without any indication of what was relevant. It was unedited and not tailored to the issues herein and, accordingly, it fell to the Inquiry to carry out such editing and to put into shape a huge amount of documents to make the evidence coherent and comprehensible. The enormity of the material is reflected in the calculation of the content comprising, for example, about 66,000 e-mails. All of this entailed the expenditure of much time and effort, unnecessary to a great part if the original undertaking by the O.C.I. to provide a completed report to the Inquiry by Grant Thornton had been achieved.

2.2.4 T.H.G.

At an early point T.H.G. indicated a willingness to co-operate as appears in the following words from a press release issued by it on the 19th August 2016:

“T.H.G. wishes to make clear that it would very much welcome such an inquiry and pledges to provide full cooperation in the strong belief that it can demonstrate that the company has acted lawfully at all times.

“While T.H.G. respects the Brazilian police process, which clearly is different to that in the U.K. or Ireland, T.H.G. believes that a full and proper judicial assessment cannot be achieved without consideration of, and access to, all the T.H.G. compliance documentation which T.H.G.

has followed in the provision of hospitality packages in Rio. T.H.G. would like to see that an independent enquiry, under the chair of a respected Irish legal figure, be actioned expeditiously.”

On the 17th October 2016 the Inquiry wrote to the Managing Director of T.H.G. at its address in London, asking for that organisation to nominate a person with whom to liaise. On the 25th October a further letter was sent to the Managing Director enclosing a questionnaire with a list of pertinent queries and asking for a reply within ten days. A reminder was sent on the 4th November. (See the Second Appendix, Document One for this questionnaire).

Because no reply was received from T.H.G. to any of these letters and in order to have evidence of their delivery, the Inquiry engaged the services of Process Servers Ltd. who, on the 7th November, effected service of copies of the said three letters and their enclosures.

The Inquiry has no reason to believe that the address of T.H.G. was other than that to which the original three letters were sent and not returned. The solicitors for T.H.G. in Ireland, Mason Hayes & Curran, subsequently acknowledged that they had received from their client the said three letters.

T.H.G. disputes that there was any delay in communicating with the Inquiry. In comments on the draft Report, their said Irish solicitors submitted:

“We cannot respectfully accept that there was any delay by our client in communicating with your office. Your draft report refers to the fact that the two letters were written by your inquiry to the Managing Director of T.H.G. on 17 October and 4 November. Postal delivery was not effected and the letters were served by hand on 7 November. We then wrote to you on 11 November confirming receipt of the correspondence. This

represents a period of 25 days from the date of your first letter and one week from the date of the second letter.”

By a letter of the 11th November 2016 Mason Hayes & Curran, solicitors for T.H.G., informed the Inquiry as follows:

“We are instructed that criminal charges have now been preferred in Brazil. While our clients do not have full details of such charges or the allegations made, the same clearly relate to the ticketing controversy arising from the Rio Olympics. In those circumstances they have been advised by their U.K. lawyers, and ourselves, that while ordinarily they would wish to assist your inquiry, they feel unable to do so as there is a real likelihood that this could prejudice a defence of such proceedings.”

Further correspondence followed with Mason Hayes and Curran, in which the Inquiry made two observations.

The first was to say that it is a matter for Brazilian lawyers to advise on the effect of the Inquiry on proceedings in Brazil, rather than the U.K. lawyers referred to in the letter of the 11th November.

The second was to observe that Kevin Mallon, an employee of T.H.G., had been arrested in Rio de Janeiro on the 5th August and charged formally on the 10th August. Arrest warrants had been issued for four executives of T.H.G. on the 15th August. All of these events pre-dated T.H.G.’s said statement to the press of the 19th August, indicating a willingness to co-operate, which, in its terms, specifically referred to the Brazilian police process. Further, on the 27th August 2016, T.H.G. made a further public statement welcoming the establishment of the Inquiry.

By a letter dated the 4th April 2017, the said solicitors for T.H.G. informed the Inquiry they had never received instructions from David Gilmore, an employee of T.H.G., in relation to the Inquiry. Accordingly by letter dated the 28th April 2017 the Inquiry wrote to David Gilmore directly and enclosed a copy of extracts of the draft Report.

By letter dated the 11th May 2017 Mr. Gilmore replied, stating, inter alia,

“Due to current legal proceedings in Brazil related to this matter, I have been instructed by my legal representatives in Brazil that I should not comment on the content contained therein. I do however wish to state that I acted lawfully at all times. Please note that once proceedings in Brazil are resolved completely I will endeavour to provide detailed replies to the matters raised herein.”

2.2.5 Pro10 Sports Management

Pro10 Sports Management is a business name used by its parent company Kmepro Ltd., to which company the Inquiry wrote on the 20th October 2016 enclosing a Questionnaire relating to the issues in the Terms of Reference and seeking a response within ten days. (See the Second Appendix, Document One for the content of this Questionnaire).

Messrs. Eames, solicitors for Kmepro Ltd., replied by letter dated the 26th October and thereafter correspondence passed between them and the Inquiry.

In four letters, dated the 1st, 9th, 16th and 30th November, the solicitors for Kmepro Ltd. raised queries, all of which the Inquiry tried to answer.

In the first letter the solicitors raised ten questions on the earlier questionnaire, on the procedures the Inquiry proposed to adopt, on the impact the Inquiry's work might have on legal proceedings in Brazil, on the time frame of the Inquiry, on the question of legal costs and on the implications of the Data Protection Act.

In the second letter the solicitors asked for confirmation that all of the other parties asked were willing to co-operate with the Inquiry. In this second letter and in the third letter queries were raised from answers in the Inquiry earlier replies.

In the fourth letter, Messrs Eames raised further queries and enclosed a letter which they had sent to the Data Protection Commissioner. This related to a perceived problem about identifying the purchaser of each ticket. To this the Inquiry replied to Messrs. Eames that in the interest of proceeding expeditiously, the Inquiry was prepared to dispense with this requirement and thereby to protect the anonymity of each purchaser.

On the 22nd December 2016. Messrs. Eames wrote to the Inquiry about legal advice from "*Brazilian lawyers, Demarest Advogados, which said advice stated that submitting to an unsworn inquiry may cause a prejudice in respect of the current criminal proceedings in Brazil and could also breach the privilege against self-incrimination. In such circumstances and despite a willingness to submit the said questionnaire doing so will be contrary to the advice of Demarest Advogados and interfere with the privilege against self-incrimination and may cause prejudice*".

2.2.6 Patrick Hickey

On the 28th September 2016, Giles J. Kennedy & Co., solicitors, wrote to the Inquiry stating that they were acting for Patrick Hickey. Correspondence followed in which his said solicitors informed the Inquiry that Mr. Hickey was happy and willing to assist the Inquiry provided his constitutional rights were upheld, that is his rights to fair procedures and a fair trial.

The correspondence between the Inquiry and Giles J. Kennedy & Co. from the said 28th September 2016 and the 31st March 2017 is to be found in the Second Appendix, Document Two.

Other issues arose in this correspondence, one of which was the request that Mr. Hickey's counsel address the Inquiry. To this the Inquiry replied, as it did to every other interested party, that it would be premature to hear oral submissions from Counsel or solicitors before their client had provided a written factual account and supporting documents. In any event, any need for oral submissions in advance of a written statement was obviated by the submissions contained in the lengthy correspondence between the said solicitors and the Inquiry. These were the many written legal submissions raised by Mr. Hickey's solicitors, which the Inquiry tried to address.

In these letters Giles J. Kennedy & Co. referred to legal advice they had obtained from a Brazilian lawyer that the following matters are admissible against an accused person in criminal proceedings in Brazil,

- extrajudicial or out-of-court statements made by an accused,
- any findings from an Inquiry,
- newspaper reports and statements in the media.

In the course of the correspondence the Inquiry explained

- the nature of the Inquiry and the procedures it proposed to adopt,
- the question of publishing its report was a matter for the Ministers named in the Terms of Reference,
- the Inquiry had no power to award legal costs,
- it was happy to receive and consider any legal advice which Mr. Hickey had received and
- it was prepared to address problems which could arise under the Data Protection Act.

On the 8th December 2016 the Inquiry wrote to Giles J. Kennedy & Co., stating that, as Mr. Hickey had not by then provided a written account, it had to be assumed that he was not going to do so.

Further correspondence followed and by letter of the 21st February 2017 Giles J. Kennedy & Co. repeated its earlier positions and informed the Inquiry that:

- their client had undergone a number of medical procedures and was now available to meet his lawyers having undergone a short period of convalescence,
- their client needed six to eight weeks to examine the records and papers which he would have to secure from the O.C.I., his own communication equipment having been seized on his arrest in Brazil,
- he was awaiting legal advice from Brazil.

This letter also said:

“We hope to be in a position within the next four weeks or thereabouts to report on progress made and to give a definite answer based on legal advice in Brazil and the advice of Senior Counsel in Ireland to your request for the participation of Patrick Hickey in the Inquiry referred to”.

See the Second Appendix, Document Two for the correspondence between the Inquiry and Giles J. Kennedy & Co. up to the 31st March 2017.

2.3 The Constraint on the Inquiry by the Right Against Self-Incrimination

As already stated, the Inquiry respects the claim of a right against self-incrimination and recognises the need to invoke this plea by a party facing serious allegations in another forum.

Nonetheless the invocation of this plea by the International Olympic Committee, Pro10, T.H.G. and Patrick Hickey has created a major obstacle for the Inquiry.

This failure by so many principal participants to engage with the Inquiry has imposed a major impediment in the preparation of this Report.

First, the Inquiry was barred direct access to the details of ticketing, some or all of which were within the knowledge of Pro10, T.H.G. and R.O.C.O.G. The provenance and destination of each ticket and the consideration given for them at each step in their journey were never revealed to the Inquiry. A general history was given to the Inquiry by some of the participants but, inevitably, not

in the necessary detail. This has substantially undermined the ability of the Inquiry to acquire a comprehensive understanding of the facts.

Secondly, the findings of the Inquiry (in the sense explained at Chapter 1.6) have been based, by necessity, only on the contributions of those willing or able to participate.

Chapter Three

The Olympic Council of Ireland

3.1 Brief History of the O.C.I.

The Olympic Council of Ireland (O.C.I.) is the National Olympic Committee (N.O.C.) for Ireland. It was founded in 1922 and subsequently affiliated to the International Olympic Committee (I.O.C.).

Since 1924 the Irish Olympic Council, (since renamed), has sent a team to all but one of the Summer Olympic Games. It did not participate in the 1936 Games in Berlin.

In 1952 the Council adopted its present title of *Olympic Council of Ireland*, to reinforce its claim to represent all of Ireland rather than just the Republic. The O.C.I. and the British Olympic Association have agreed that sports people from Northern Ireland may choose to compete under the aegis of either body.

3.2 Corporate Structure of the O.C.I.

The O.C.I. is a company limited by guarantee and registered in the Irish Companies Office under the title of “Olympic Council of Ireland Ltd.”

As on the opening day of the Rio Games, (the 5th August 2016), the Executive Committee of the O.C.I. comprised five officers, seven ordinary members and the Chairman of the O.C.I. Athletes’ Commission. In addition the O.C.I. had a full time staff of four persons. See chapter 1.4 for details of these members of the Executive Committee and the staff.

On the 18th October 2016 Kevin Kilty, who had been the Honorary Treasurer and also the Chef de Mission in Rio2016, resigned from the Executive Committee of the O.C.I. On the 25th October 2016 John Delaney resigned from the Executive Committee and his position as the Second Vice-President of the O.C.I. On the 2nd November 2016 Professor Ciaran Ó Catháin resigned from the Executive Committee.

3.3 Memorandum and Articles of Association of the O.C.I.

The O.C.I. provided the Inquiry with a copy of the Memorandum and Articles of Association of the Olympic Council of Ireland Ltd.. The Memorandum had been adopted by special resolution passed on the 28th September 2005 and the Articles by special resolution passed on the 28th March 2002. (See the Third Appendix for the content of the said Memorandum and Articles of Association.)

The objects of the company set out in the Memorandum relate to the promotion of the Olympic Games and sports. They also describe the uniqueness of the Games in terms of the Olympic spirit, philosophy of sportsmanship, morality and friendliness which permeates throughout those objects. For instance, the object in clause 2(c) provides: *“to ensure that the Council remains a completely autonomous and independent body and resists all political, religious or commercial pressures.”*

This sentiment is repeated in art.26 of the Articles of Association in the context of listing the sources of finance for the Council, and then continues: *“No financial assistance from any of the various public and private bodies referred to herein may interfere with the independence of the Council which, in accordance with clause 2(c) of the Memorandum, is to remain a completely*

autonomous and independent body, resisting all political, religious or commercial pressures.”

Clause 3 of the Memorandum of Association states:

“The income and property of the Council whencesoever derived shall be applied solely towards the promotion of the objects of the Council as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise howsoever by way of profit to the members of the Council PROVIDED that nothing herein shall prevent the payment in good faith of reasonable and proper remuneration to any officer or servant of the Council or to any member of the Council in return for services actually rendered to the Council nor but that no member of the Executive Committee of the Council shall be appointed to any salaried office of the Council or any office of the Council paid by fees and that no remuneration or other benefit in money or moneys worth shall be given by the Council to any member of such Executive Committee except repayment of out-of-pocket expenses.....”

The following are some relevant provisions of the Articles of Association:

- Art. 8.1 provides, in effect, that the Olympic Charter takes precedence over the O.C.I.’s Memorandum and Articles of Association.
- A proposal to amend the Memorandum and Articles of Association must be notified at least 28 days prior to a general meeting of the Council by giving notice to the Honorary General Secretary. A three-quarters majority of those present and voting at the meeting is necessary to carry the amendment [Art.8.2].

- Any amendment to the Memorandum or Articles of Association shall be notified by the Honorary General Secretary to the I.O.C. with a request for approval [Art.8.3].
- The voting membership of the O.C.I. comprises any I.O.C. member(s) in Ireland, the President and other members of the Executive Committee, the representatives of the National Federations affiliated to the International Federations governing Olympic sports, and the representatives of the O.C.I. Athletes' Commission.
- The President of the Council shall preside as Chairman at any general meeting [Art.13.12].
- The Officers of the Council to be elected comprise the President; the First Vice-President; the Second Vice-President; the Honorary General Secretary; and the Honorary Treasurer.
- Membership of the Executive Committee shall be vacated *ipso facto* if the member becomes an employee of the Council, a paid consultant or adviser to the Council or provides for profit any other services to the Council [Art.17.2], or is directly or indirectly interested in any contract with the Council and fails to declare the nature of his interest in the manner required by s.194 of the Act [Art.17.6].
- The President will preside over and conduct the business of meetings of the Executive Committee [Art.18.1].
- The quorum necessary for the transaction of the business of the Executive Committee may be fixed, and, if not, shall be seven [Art.18.6].

- Art. 18.7 provides for the passing of resolutions by writing and signature of the Executive Committee.

- The Executive Committee shall cause minutes to be made, *inter alia*, “*of all resolutions and proceedings at all meetings of the Council and of the Executive Committee and of any committee or sub-committee thereof*”. [Art.21.3].

In the course of consulting with various members of the Executive Committee of the O.C.I. it was universally acknowledged that the Memorandum and Articles of Association require urgent review and up-dating. This will be taken up again at Chapter Ten.

3.4 The Olympic Movement and the I.O.C.

Modern Olympism was conceived by Pierre de Coubertin, on whose initiative the International Athletic Congress of Paris was held in June 1892. The International Olympic Committee constituted itself on the 23rd June 1894.

The Olympic Charter provides that:

“Olympism is a philosophy of life, exalting and combining in a balanced whole the qualities of body, will and mind. Blending sport with culture and education, Olympism seeks to create a way of life based on the joy of effort, the educational value of good example, social responsibility and respect for universal fundamental ethical principles.”

The Charter in its fundamental principle also refers, *inter alia*, to the organisation with the movement having “*the responsibility for ensuring that principles of good governance be applied*”

The three main constituents of the Olympic Movement are the International Olympic Committee, the International Sports Federations and the National Olympic Committees; the “*supreme authority*” being with the International Olympic Committee.

The I.O.C. describes itself as an international non-governmental not-for-profit organisation, of unlimited duration, in the form of an association with the status of a legal person, recognised by the Swiss Federal Council, (the Swiss Government), in accordance with an agreement entered into on the 1st November 2000. Its seat is at Lausanne in Switzerland. It is composed of a number of persons elected (not to exceed 115) and it admits new members at a ceremony during which they agree to fulfil their obligations by taking the following oath:

“Granted the honour of becoming a member of the International Olympic Committee, and declaring myself aware of my responsibilities in such capacity, I undertake to serve the Olympic Movement to the very best of my ability; to respect and ensure the respect of all the provisions of the Olympic Charter and the decisions of the International Olympic Committee, which I consider not subject to appeal on my part; to comply with the Code of Ethics; to keep myself free from any political or commercial influence and from any racial or religious consideration; to fight against all other forms of discrimination; and to promote in all circumstances the interests of the International Olympic Committee and those of the Olympic Movement.”

The Charter provides that the members of the I.O.C. represent and promote the interests of the I.O.C. and of the Olympic Movement in their countries and in the organisations of the Olympic Movement in which they serve.

In order to be recognised as a member of the Olympic movement and to send athletes to the Olympic Games, the O.C.I. must comply with the Olympic Charter.

The relationship between the O.C.I. and I.O.C. is worth considering and, in particular, whether the O.C.I. represents Ireland at the I.O.C. or, contrariwise, the O.C.I. is the representative of the I.O.C. in Ireland.

This gives rise to two important issues:

First, to whom is the O.C.I. primarily answerable? Is it to

- (a) the I.O.C. in Lausanne or
- (b) concerns in Ireland, such as the sports federations which make up the membership of the O.C.I., Sport Ireland, or the Government as the representative of the public interest and defender of the public purse?

Consideration of that answer leads to the second question. Who is obliged to provide funding to the O.C.I.? If the O.C.I. is a representative in Ireland of the I.O.C., should this parent body with its large financial resources from TOP (“*The Olympic Partners*”) Programmes of sponsorship, sale of TV and media rights and other sponsorship not be the principal benefactor of the O.C.I.?

3.5 Income of the O.C.I.

The O.C.I. had an average income *per annum* of €1,216,596 over the years 2012 to 2015. Its accounts record two revenue streams, an Administration Revenue stream with an average annual turnover of €353,538 and an Activities Revenue stream with an average annual turnover of €863,058.

The O.C.I. has informed the Inquiry that, in round terms, in 2015 its revenue from the I.O.C. was about 60%, from special activities and sponsorships about 10% and from Sport Ireland about 30%.

Its income is derived, principally, from marketing and sponsorship, I.O.C. grants and subsidies, and Sport Ireland grants. Details of income are set out in Table 3.1.

Table 3.1 Income of OCI, 2012 – 2015.

	2015	2014	2013	2012
	€	€	€	€
Administration Income				
Irish Sports Council Grants	303,178	298,978	298,978.00	298,978.00
Olympic Solidarity Grant	77,087	31,634	23,522.00	22,909.00
Bank Interest	9,047	14,489	16,479.00	18,872.00
	389,312	345,101	338,979	340,759
Activities Income				
Marketing & Sponsorship	482,207	540,287	22,116	715,398
London Games 2012				135,080
Sponsorship for Rio Clothing	229,994	29,994		
ISC Programmes & Activities	122,147	80,009	99,598	138,369
Olympic Solidarity Programme Grants	101,750	69,781	163,899	177,814
Olympic Solidarity Sochi Games Subsidy			23,224	
Olympic Solidarity Grant for Refurb of Museums			10,171	
NOC Activities		88,887	63,737	54,612
Special Activities	51,897	19,706	1,484	28,293
General Assembly	1,779			
	989,774	828,664	384,229	1,249,566
OCI Total Annual Income	1,379,086	1,173,765	723,208	1,590,325

The O.C.I. benefits by the voluntary and unpaid service of the elected officers and members of the Executive Committee. With the exception of the four employees, all officers and members of the Executive Committee are unpaid

and receive no remuneration, except for normal expenses properly arising. In Chapter Ten the Inquiry will address an exception to the ‘unpaid’ voluntary service and will bring attention to the payment of an annual honorarium of €60,000 to its President.

While the level of O.C.I. income denotes a small business operation, its income is significant in terms of the voluntary sector and clearly enough in its own right to require proper administration and good governance.

Chapter Four

Procedures for Ticketing at Rio2016

4.1 Introduction

In May 2015 the Rio Organising Committee for the Olympic Games (R.O.C.O.G.) issued a “*Ticketing Guide*”, which was aimed at providing information to members of the public about the venues for the Rio Games, the various sports, the times and dates for each of the sessions, and the exact cost price or face value of each ticket. (This Ticketing Guide is to be found in the Fourth Appendix, Document One.)

The Guide explained that (a) for Brazilian Residents (with a Brazilian Tax ID) application for tickets could be made on the Rio2016 Ticket Website and (b) for those living outside Brazil it would be necessary to contact the Authorised Ticket Reseller (A.T.R.) for their territory. It directed such persons to the website to obtain further information about their A.T.R.

The Guide also explained that, from June 2016 until the end of the Games, any remaining tickets would be available to purchase at the ticket box offices in Rio de Janeiro.

Under “*General Information*” at page 135 the guide stated:

“Resale And Redistribution Restrictions.

“The only way to ensure that your tickets are genuine is to purchase them directly from Rio2016 or our officially authorised partners. For residents of Brazil, individual tickets

may only be purchased from Rio2016. For residents of all other countries and territories, tickets can only be purchased from the Authorised Ticket Reseller appointed by the N.O.C.s for your country or territory. Nobody else is authorised to sell or distribute tickets for Rio 2016, and the unauthorised resale of tickets is a violation of the terms and conditions of sale and may result in the tickets being cancelled. No reseller other than the Authorised Ticket Resellers listed at www.rio2016.com/spectators are authorised to sell Rio2016 tickets.

“The Brazilian Government has enacted specific legislation in relation to the sale of Rio2016 Olympic tickets. Reselling Olympic tickets at a price higher than the face value is a criminal offence punishable by substantial fines and may possibly result in other serious consequences. Local law enforcement, operating independently from Rio2016, will be diligently monitoring, investigating and pursuing offenders and their organisation from now until the end of the Olympic Games. Please remember that it is always important to ‘play by the rules’ when it comes to the purchase and resale of tickets.”

4.2 Summary of the Ticket Programme

The starting point is selection by a National Olympic Committee (N.O.C.) of an A.T.R. and then the submission of this choice for the approval of the local Organising Committee, in this instance, R.O.C.O.G. The process required a “*Ticket Sales Agreement*” signed by the N.O.C. and the proposed A.T.R. to be

forwarded to R.O.C.O.G. by the 10th October 2014. It was further required that a business plan completed by the proposed A.T.R. be included with the said Ticket Sales Agreement (T.S.A.).

Thereafter was to follow a process of evaluation wherein it was the role of R.O.C.O.G. to decide whether or not to authorise the proposed A.T.R. This decision would then be either approved or not by the I.O.C. The deadline as proposed by R.O.C.O.G. for this decision on the approval or rejection of the proposed A.T.R. was the 7th November, 2014.

After approval there were to be two periodic reviews of the A.T.R. which were scheduled for September 2015 and February 2016. These were to evaluate the performance with respect to the A.T.R.s initial business plan, to discuss any variance as the plan is rolled out and to assess the adherence to the programme rules.

In furtherance of the ticket programme R.O.C.O.G. established what is referred to as a “*Client Ticketing Portal*” which was a secure web application over which Rio2016 provided information, administration of ticketing requests, ticket returns, payments, reports and other services related to sales to N.O.C.s and A.T.R.s.

The Ticket Programme envisaged a “*Confirmed Initial Allocation*” which relates to the number of tickets to be confirmed by R.O.C.O.G. that will be issued to the A.T.R. (per 8.3 of the T.S.A. referred to at Chapter 4.4 below).

The Ticket Programme envisaged changes being made to the “*Confirmed Initial Allocation*” resulting in the total amount of tickets going to the A.T.R. being referred to as the “*Final Allocation*” (per 8.4 of the said T.S.A.).

4.3 Ticketing Pre-allocation Business Plan for N.O.C.s and A.T.R.s

A document entitled “*Ticketing Pre-allocation Business Plan for N.O.C.s and A.T.R.s*” was issued by R.O.C.O.G. in September 2014 effectively to act as a guide and template for A.T.R.s in their applications to be appointed ticket sellers for the Rio Games.

This was to act as a clear communication of the “*criteria and rules and to highlight programme expectations at the beginning of the evaluation process, including evaluation criteria, process and rules of the programme*”. (See the Fourth Appendix, Document Two for this document.)

As stated in this document, due to issues arising in previous Games there was to be a stricter evaluation and approval process in place in relation to the appointment of A.T.R.s for the Rio Games.

Moreover it is clear from the wording of the document that the N.O.C.s are ultimately responsible for their territories and that they “*need to be actively involved in understanding their responsibilities and supporting the successful delivery within their territory by their A.T.R.s*”.

Further, it was indicated that the Business Plan to be provided by the A.T.R.s by the 10th October 2014 will not only be a key component of the evaluation process, but will also be referred to in the periodic reviews by R.O.C.O.G.

The said R.O.C.O.G. document provides a timetable for evaluation and approval, and indicates that by the 7th November 2014 the decision to accept or reject the A.T.R. will have been made by R.O.C.O.G. and approved by the I.O.C. It is to be noted that the said R.O.C.O.G. document indicates that “*Only N.O.C.s/A.T.R.s who have completed all steps of the process will be granted access to the Client Ticket Portal*”.

Para. 1.3 of the said R.O.C.O.G. document is entitled “*Criteria*” and includes the following:

“Ability to deliver an effective and integrity based ticketing service to the N.O.C. family, with priority to athletes and their friends and family, as well as the general public within the Territory before, during and after the Games.

“The actions and measures proposed by the A.T.R. in order to prevent Tickets being used in unauthorised hospitality programmes.

“The Authorised Ticket Reseller’s commitment to comply with the Rio2016’s Ticketing Programme objectives and policies, including upholding of the Ticket Sales Agreement, Code of Conduct and all other documents issued by Rio2016 and/or I.O.C. related to the Ticket programme.”

4.4 Ticket Sales Agreements

R.O.C.O.G. provided a blank “*Ticket Sales Agreement*” (T.S.A.) to be completed by all N.O.C.s and their chosen A.T.R.s and then returned to R.O.C.O.G. Only when the decision to approve the A.T.R. had been affirmed by the I.O.C. would this agreement be completed and signed off by R.O.C.O.G.

William O'Brien, First Vice-President of the O.C.I., by his written account dated the 8th November 2016, informed the Inquiry that the protocols and procedures laid down by the I.O.C. governing ticketing between the I.O.C., R.O.C.O.G. and the N.O.C. are all contained in the Ticket Sales Agreement, (T.S.A.). These were provided by the O.C.I. and not by I.O.C., which did not co-operate.

Following the sequence of events described hereafter in Chapter Five, the completed T.S.A., dated the 28th October 2015, was signed by Michael Glynn on behalf of Pro10 and by Patrick Hickey on behalf of the O.C.I. (See the Fourth Appendix, Document Three for this completed T.S.A.)

Preliminary recitals in the T.S.A. include the following *“that given the significance of the Games, the parties acknowledge the importance of ensuring that all people are given fair and equitable opportunities to obtain Tickets and to attend the Games”*.

“Additional Services” is defined in clause 1 of the T.S.A. as meaning *“those services, outside the security perimeter of the venues, provided and/or sold by the A.T.R. in conjunction with the sale of a ticket, such as, without limitation, transportation to the Games or accommodation during the Games”*.

“General Public” is defined in clause 1 of the T.S.A. as meaning *“private individuals in the Territory, excluding the N.O.C. Family, who acquire Tickets for personal use”*.

“N.O.C. Family” is defined as meaning “those accredited and non-accredited members of the N.O.C. that includes N.O.C. officials N.O.C. sponsors, athletes (including their families) affiliated national federations and such other persons identified by the N.O.C. as included in the family, and excludes the General Public”.

“Scalper and/or Broker” is defined as meaning “an unauthorised organisation and/or person that buys and sells tickets; sometimes also referred to as a secondary market reseller”.

Clause 3 of the T.S.A. provides that the A.T.R. is to promote, sell and distribute tickets in the Territory allocated in accordance with the agreement.

Clause 4 provides for the position within the European Union by stating that A.T.R.s within the E.U. shall be required to respond to *“unsolicited requests”* from residents of other E.U. states. If the A.T.R. is for a territory outside the E.U., the A.T.R. is prohibited from responding to any requests for tickets from residents outside the territory and the A.T.R. shall be obliged to refer the customer to the relevant N.O.C. of the territory of which the customer is resident.

Clause 4.5 provides that the A.T.R. should refrain from active promotion and/or sales of Tickets, which includes actively seeking purchasers outside the A.T.R.’s assigned territory.

Clause 6.1 provides that subject to Clause 4, (see above regarding E.U. states), the A.T.R. shall only promote, sell and distribute tickets, separately or bundled with one or more Additional Services within its own territory.

This clause states *“for the avoidance of doubt, the A.T.R. may not sell with Tickets any services that are not Additional Services unless authorised in writing by Rio2016”*.

Clause 6.8 of the T.S.A. includes a requirement that the A.T.R. provides to Rio2016 on request all names and addresses of ticket purchasers with details of their orders.

Clause 13 of the T.S.A. permits the A.T.R. to charge a reasonable handling charge which is not more than 20% of the face value of the ticket, and is capped at R\$ 120 (one hundred and twenty Reais).

4.5 Code of Conduct

Exhibit G of the T.S.A. is a document entitled *“Code of Conduct for the Olympic Games Ticketing Programme for the Games of the XXXI Olympiad in Rio2016”*.

It provides for certain obligations upon the A.T.R. including as follows:

“

2. *Purchase, use, sell, distribute and/or promote tickets and/or related services (such as hospitality) in a transparent, open and fair manner;*
3. *Respect, manage and use tickets and/or related services in compliance with the specific rules and terms applicable;*
4. *Avoid and combat any unauthorised use of tickets and/or ambush marketing related to tickets.....”*

4.6 Ticket Programme Guide

It appears from emails provided by the O.C.I. that, on at least two occasions, R.O.C.O.G. broadcasted by means of the internet a mixed media presentation programme for the benefit of the N.O.C.s and A.T.R.s. This seems to have allowed some live “chat” participation as well.

The Inquiry did not have access to these programmes.

4.7 Different Categories of Tickets

As can be seen from the clauses in the T.S.A. as set out in chapter 4.4, the established scheme for ticketing distinguishes between “*N.O.C. Family*” tickets and “*General Public*” tickets in the following manner.

The “*General Public*” refers to private individuals who acquire tickets for their own personal use. “*N.O.C. Family*” covers all persons connected to the N.O.C., including officials, sponsors, national federations, and, also, athletes and their families.

N.O.C. Family Tickets, whilst they can be sold to members of the N.O.C. Family, are not to be offered for sale to the general public. This distinction between the two main types of tickets is very important in the context of how the O.C.I. and Pro10 actually dealt with the tickets allocated to them. (See Chapter 6). It is clear that the O.C.I. made available to Pro10 N.O.C. Family tickets, including many N.O.C. Family tickets for premium events. This meant the A.T.R. could make them available for public sale rather than for members of the N.O.C. Family. As shall be seen later, members of the O.C.I. staff were aware of this difference between the categories of tickets.

In his written account to the Inquiry Martin Burke, the O.C.I.'s Sports Director, indicated that the N.O.C. Family Tickets would have the following words printed on their face "*Ticket for use exclusively by (or by guests of) N.O.C. Ireland*" and the General Public tickets would have the following words printed on their face "*Ticket for use by residents of (or their guest of) Ireland or EU/EEA*".

4.8 Athletes' Friends and Family Tickets

The Inquiry heard from numerous parties that there was a system whereby tickets were made available to be purchased through an "Athletes' Friends & Family" (A.F. & F.) programme. The aim of this programme was to ensure that each athlete was guaranteed two tickets for each of the sessions for which he or she was competing, which tickets could be used by his or her friends or family. Because of the relatively constrained conditions, only one ticket was to be made available for swimming.

There appears to have been two mechanisms for the system to be utilised. First, the N.O.C. or the A.T.R. could acquire the A.F. & F. tickets they wish to purchase at certain box office locations in Rio. If this option is utilised then the N.O.C. or the A.T.R. must guarantee the tickets will be used exclusively to serve the A.F. & F. programme. Secondly, the friends and family members can purchase the A.F. & F. tickets at any Rio Box Office themselves by providing the unique Athlete Identification Number and proof of identity.

The O.C.I. opted for the latter, to permit the friends and family to purchase and collect their own tickets.

One issue with this latter system is that the tickets could only be purchased in Rio de Janeiro and could not be purchased in advance. Indeed, the athletes only got the unique identification number on arrival in Rio. The theory then was that the purchaser of the A.F. & F. ticket would keep a receipt and at a later point that the cost of these two tickets would be reimbursed by the O.C.I.

There was much confusion amongst the relatives of athletes from whom the Inquiry heard or received submissions as to the exact workings of this system, which appears to have resulted in few availing of it.

Dermot Henihan, General Secretary of the O.C.I., indicated in consultation that he thought there was a pretty bad take up of the A.F. & F. tickets and that about €5,000 had been reimbursed by the O.C.I.

The Inquiry was provided with a document entitled “*Athletes’ Friends & Family Ticketing Programme*” which was published in October 2015 by R.O.C.O.G. However it is not apparent whether this document was ever provided to the athletes. (See the Fourth Appendix, Document Four for this document.)

The Inquiry was provided with a two page document entitled “*Athletes’ Family and Friends Ticketing*”, an O.C.I. document which attempted to summarise the programme. One of the contributors informed the Inquiry that he had received this document on the 24th July 2017. (See the Fourth Appendix, Document Five for the same).

However the Inquiry heard of poor communication about this scheme to the Athletes and their families. (See Chapter 7)

The Inquiry notes in recent correspondence from Arthur Cox, the O.C.I.'s present solicitors, that the Executive Committee will make the allocation of tickets to athletes, families and friends (as well as accreditation) an area of particular focus for the forthcoming Olympic Games. The correspondence notes that *“The Executive Committee is committed to putting in place a more transparent, better communicated process to deal with accreditation and the allocation of tickets and, work has commenced in this regard.”* (See the Tenth Appendix for the relevant parts of this letter.)

4.9 Ticket Prices

The Inquiry was provided with a document published in January 2015 by R.O.C.O.G. entitled *“Ticket Prices”*, which sets out the prices of all Olympic Tickets by sport and by session. (See the Fourth Appendix, Document Six for this document).

4.10 Ticketing Terms and Conditions

R.O.C.O.G. also produced a document entitled *“Rio2016 Ticket License Agreement and Spectator Policy”*, which was provided to purchasers of tickets and set out the terms and conditions for the possession and use of tickets for Rio2016.

This document contained many of the standard provisions that one would expect to see in relation to any large sporting or entertainment event such as a festival or concert. The document does not deal with distinctions in ticket

categories such as the N.O.C. family tickets, but rather is aimed at the member of the public who purchases a ticket.

As can be seen from the document, to be found at the Fourth Appendix, Document Seven, it does set out at section 9 terms and conditions relating to resale, reuse and transfer of tickets, which includes at clause 9.2 that the tickets are non-transferable except through use of the Rio2016 online facility.

At clause 9.5 it provides:

*“Tickets may not be transferred to any Person who pays or agrees to pay for some other goods or services, such as a hospitality package or accommodation, unless authorised by Rio2016. A Ticket may not be offered as part of a package of goods or services, which, for the avoidance of doubt, may include a hospitality package, unless authorised by Rio2016. Tickets sold or advertised for sale (whether on their own, together or as part of a package of goods and services, including hospitality packages) contrary to this clause 9.5 may be considered **void**, and may be **seized or cancelled**. In such a case, the Ticket Holder will be denied entry to the Session and the Purchaser **will not be eligible for a refund.**”* (The bold font is as in the original).

4.11 Accreditations

Further, the Inquiry heard contributions on the issue of accreditations.

The process for accreditations and the ultimate number of same received by a N.O.C. is governed by the I.O.C. and the respective guidelines issued.

The relevant guidelines for the Rio Games in relation to accreditations were issued by the I.O.C. in April 2015 and are to be found at the Fourth Appendix, Document Eight. According to these guidelines, the purpose of granting accreditations is as follows:

“The purpose of accreditation is to identify people and their roles at the Olympic Games and allow them necessary access to perform their roles.

Accreditation is not an external sign of privileged status but is a necessary working tool to manage the large numbers of people participating in the Olympic Games, facilitating their movements in a flexible and secure fashion.

The accreditation:

- *Ensures that only the appropriately qualified and eligible people are entitled to participate in or perform official functions at the Olympic Games;*
- *Limits participants’ access to areas they need to go to perform their official functions and keeps unauthorised people out of secure zones; and*
- *Ensures that participants reach these areas in a safe and orderly manner.”*

The guidelines go on to set out a detailed process by which a N.O.C. would grant accreditation to athletes and relevant personnel which, as stated by William O'Brien, the First Vice-President, in his role as the acting President and the Liaison person of the O.C.I., was to operate "*for the benefit of athletes and coaches*".

The Inquiry has heard some criticism of the manner in which the system operated. (See Chapter Seven). In particular, one family member referred to a difficulty he had in obtaining accreditation for his athlete daughter's trainer at one of the events which, he observed, compared unfavourably with other countries participating in the same event. He expressed concern at the pressure this put on his daughter as he did not want her to become involved in administrative decisions in advance of the Games. He also mentioned that the lack of appropriate accreditations affected the manner in which people could travel to the venues, which was more problematic the further the venue was from the provided accommodation. He related occasions when his daughter had to travel to the event by public bus.

There was criticism from representatives of Olympic Sporting Federations in relation to the inadequacy of the accreditation for the athletes' coaching and support staff. Some professed that it was a mystery as to how accreditations were allocated, not only in the number of accreditations made available but also as to the level of the accreditation.

The Inquiry heard from the O.C.I. as to the complex nature of the accreditation calculations and the point was made that ultimately the number of accreditations was dependent on the number of athletes qualifying and participating in the games. Further, the Inquiry heard that certain accreditations were also dependent on the particular sports for which the athletes had qualified. For example, there would be certain automatic accreditations for "*technical*"

support, such as for equestrian events or sailing that would not apply to athletics. The result of the shortage of accreditation is that often athletes would have to share coaches, and often accreditation would not be provided to specialist coaches. The position was ameliorated by the O.C.I. providing transferable accreditations or day passes.

There is no doubt that the O.C.I. is limited in the provision of accreditations by the rules and decisions and afore-mentioned guidelines of the I.O.C. and by the local organising committees. At the same time it is clear that there was a lack of transparency in the allocation of the accreditations and moreover there was poor communication with the athletes and their coaches on the issues surrounding accreditation.

Recent correspondence to the Inquiry from the solicitors for the O.C.I. has indicated that the Executive Committee will make accreditation an area of particular focus for the forthcoming Olympic Games. A letter of the 16th March 2017 from the solicitors states *“The Executive Committee is committed to putting in place a more transparent, better communicated process to deal with accreditation and the allocation of tickets and work has commenced in this regard.”* (See the Tenth Appendix for the relevant parts of this letter).

4.12 Intended Timetable for the Appointment of an ATR for Rio2016

The proposed timetable for the appointment of A.T.R.s for Rio2016 was as follows:

- A pre-allocation business plan was to be completed and returned to the N.O.C. before the 10th October 2014.

- This was to be followed by two further reviews, the first immediately prior to the sale of tickets to the public, and a second between the 1st August and the 30th September 2015.
- R.O.C.O.G. would provide the A.T.R. with access to a password protected website to enable it to submit its request for tickets by the 31st January 2015.
- R.O.C.O.G. would notify the A.T.R. of its initial allocation by the 28th February 2015, which would be subject to negotiation between the parties until the 31st March 2015.
- R.O.C.O.G. would notify the A.T.R. of its confirmed allocation by the 30th April 2015.
- The A.T.R. could request a change to its allocation by the 15th May 2015.
- The A.T.R. had the right to return up to 25% of its allocation by the 1st December 2015.
- R.O.C.O.G. would notify the A.T.R. of its confirmed final allocation by the 1st February 2016.

What is clear from the foregoing, therefore, is that it was envisaged by R.O.C.O.G. that the allocation of tickets would be a rather lengthy and fluid process, involving the input of the parties over a calendar year from January 2015 to January 2016. It is also clear from the T.S.A. that the A.T.R. was to be subject to on-going evaluation by R.O.C.O.G. to ensure its suitability.

It seems difficult to reconcile such a process and timetable with the events that ultimately led to the appointment of Pro10 as the A.T.R. for Ireland in Rio2016, (as is described in Chapter Five).

Chapter Five

T.H.G. and Pro10 as A.T.R.s for Rio2016

5.1 Introduction

As discussed in Chapter Two, neither T.H.G. nor Pro10 co-operated with the preparation of this Report, and, accordingly, what follows has been completed without their input. Instead, the following narrative is largely based on records of emails which have been supplied to the Inquiry and, towards the close of this Chapter, on accounts provided by other parties. As also noted above, the other signatory to the Ticket Sales Agreement, (T.S.A.), the International Olympic Committee (I.O.C.), also declined the Inquiry's invitation to contribute to the Report.

The original intended Authorised Ticket Reseller (A.T.R.) for Rio2016 was T.H.G. Sports Limited, a company which was a member of the Marcus Evans Group. The relationship between Marcus Evans and the O.C.I., (and in particular Patrick Hickey), dated back to 2009 and in 2012 they entered into an agreement that T.H.G. would be appointed A.T.R. for Rio2016. The Rio Organising Committee for the Olympic Games (R.O.C.O.G.) rejected the application and, having considered some other options, Patrick Hickey, on behalf of the Olympic Council of Ireland (O.C.I.), agreed to support the appointment of Pro10. It is with these events that the present chapter is concerned.

5.2 Background to the Relationship between the O.C.I. and T.H.G.

On the 9th July 2009 Marcus Evans sent an email to Patrick Hickey referring to a meeting over dinner and attaching a letter of application by Marcus Evans Limited to become the official ticket and hospitality partner of the O.C.I. for the Olympic Games in 2012, 2014, 2016, 2018 and 2020. The letter mentioned details of the company's experience and resources, including a reference to its staff of more than 3,500 people in fifty-one cities worldwide involved in managing over 2,000 events annually.

The letter further referred to the company's ownership of Ipswich Town Football Club, which, it stated:

“means we are acutely aware of, and have a full time press office in place to deal with, issues surrounding the correct allocation of tickets to the general public and ensuring a mix between corporate and private allocation”.

With regard to hospitality, the letter stated:

“For the corporate and private hospitality market our operations team in London manages and distributes tickets and travel packages for over 750 of our events in the UK and Europe per annum. The Group is probably the world's largest corporate hospitality organizer and therefore partnership with us provides a unique opportunity to maximize corporate revenue as well as generate income from the general public.”

The proposal went on to suggest that, of the tickets allocated to the O.C.I. for the London Games, they would use 50% for *“corporate and premium customers for ‘Blue Riband’ events including travel and/or accommodation as well as on site hospitality”*.

As a result of the profits generated from the corporate market, the company envisaged that they would be able to sell the remaining tickets at a fair price on a ticket-only basis to the general public. In general, they believed that they were well placed to maximise returns for the O.C.I. while also ensuring a professional service to the general public.

Finally, the offer included a proposed rights fee of US\$100,000 for the 2012 Games, US\$125,000 for the 2016 Games and US\$150,000 for the 2020 Games, with a fixed fee of US\$20,000 for each of the Winter Games. These sums were subject to a payment plan as follows:

- 2012 Games
 - 25% paid up-front at the signing of the contract
 - 25% paid six months prior to the opening of the 2012 Games
 - 50% paid two months after the close of the 2012 Games
- 2014 and 2018 Games
 - 100% paid two months after the close of the 2014 and 2018 Games
- 2016 and 2020 Games
 - 25% paid three years before the opening of the 2016 and 2020 Games
 - 25% paid six months prior to the opening of the 2016 and 2020 Games
 - 50% paid two months after the close of the 2016 and 2020 Games

In general, the company believed it could generate income in excess of US\$600,000 for the O.C.I.:

“we can generate the Olympic Council of Ireland greater returns (whilst maintaining a professional and extensive service to the general public) than any other party as we have the widest and closest access to the more lucrative corporate market place”.

This approach was subsequently noted in the minutes of the meeting of the Executive Committee of the O.C.I. held on the 28th July 2009, as follows:

“Ticketing Contract for London Games

“The President reported an approach from the owner of Ipswich Football Club to operate the Ticketing Programme for the London Games. He was expecting a proposal very shortly and would report progress at the next Executive Meeting.”

In the course of the coming months there were a number of emails between Patrick Hickey and Marcus Evans and his employees as part of negotiating an agreement, which culminated in an offer dated the 25th February 2010, which was signed by Mr Evans and by Mr Hickey on behalf of the O.C.I. on the 1st March 2010. While many of the terms of this agreement were identical to the initial offer, having considered the commercial opportunities the company, (therein described as Marcus Evans Ltd.), made a “*significantly increased offer*” of US\$ 1m. This was to secure the rights to the 2012 and 2014 Games only, but included an option to renew for the 2016 and 2018 Games. The agreement also recounts that the parent company of Marcus Evans Limited is Marcus Evans Investments Limited, which operates through a number of divisions, one of which is “*Corporate Hospitality (branded T.H.G. or S.M.G.)*”.

In much of the subsequent correspondence, Mr Evans’ company is simply referred to as “*T.H.G.*”.

5.3 Terms of the Agreement between the O.C.I. and T.H.G. for the 2012 and 2014 Olympic Games

The agreement signed on the 1st March 2010 by Patrick Hickey on behalf of O.C.I. and Marcus Evans on behalf of T.H.G. for the 2012 and 2014 Olympic Games is to be found in the Fifth Appendix, Document One.

This agreement included the following relevant terms:

- As before, Part 4 of this agreement made it clear that the A.T.R.'s *“business model”* was to use 50% of tickets *“for corporate and premium customers for “Blue Riband” events including travel and/or accommodation as well as on site hospitality”* The company further states that *“we are generating our profit from the corporate market”*.

- Part 7 refers to a firm belief that Marcus Evans Ltd *“can generate the Olympic Council of Ireland greater returns (whilst maintaining a professional and extensive service to the general public) than any other party as we have the widest and closest access to the more lucrative corporate market place”*.

- Part 7(b) includes reference that *“All Tickets other than 20 opening ceremony tickets (which are for Olympic Council of Ireland use) will be for the Marcus Evans Groups use for its commercial activity”*.

- Part 7(c) refers to the following:

“The Marcus Evans Group will be entitled at its discretion in the form it deems to be most commercially viable to package up tickets for the games with travel, accommodation, hospitality and other ancillary services as required by customers. It may also sell tickets only. It will sell to the territory of Ireland but to ensure compliance with EU law, will also consider and facilitate orders from anywhere within the EU. Marcus Evans Group are free to set prices at its discretion for its services and packages other than ticket only sales which will be at face value plus a reasonable handling charge”.

- The US\$1m rights fee is separate to and does not include the actual cost price of the tickets that would be allocated by the organising committee of the relevant Olympic Games, which would be paid by the Marcus Evans Group.

- Part 7(g) provides:

“Within this contract the Marcus Evans Group will provide the Olympic Council of Ireland with the opportunity to be paid an additional sum over and above the US\$1 million rights fee. This additional sum will be paid in the event that the number of summer games ceremony tickets, excluding those for Olympic Council of Ireland own use exceed 500 for the summer games. In the event the ceremony tickets exceed 500 the Marcus Evans Group will pay the additional sums detailed below per ticket 60 days after the games.

Opening ceremony category A ticket US\$1500 per ticket

Opening ceremony category B ticket US\$1000 per ticket

Opening ceremony category C ticket US\$500 per ticket

Closing ceremony category A ticket US\$1000 per ticket

Closing ceremony category B ticket US\$750 per ticket

Closing ceremony category B ticket US\$500 per ticket”

- With regard to the 2016 and 2018 Games, the company had an option to renew this agreement which was to be exercised by the 1st January 2014 and which was to be notified in writing to the O.C.I. The same rights fee of US\$1m was to be paid within 30 days to include any increase in the retail price index.

This agreement between Marcus Evans Limited and the O.C.I. does not acknowledge the requirement for the ultimate approval of the Organising Committees of the Olympic Games. Moreover, it is clear from the terms of the agreement and from the correspondence, that it was envisaged that the agreed arrangements would generate revenue from the sale of tickets for corporate hospitality events.

This agreement was reported to the Executive Committee of the O.C.I. on the 9th March 2010, as recorded in the minutes of that meeting, noting that the US\$1 million had already been received. The minutes further recorded that the other firm interested, Jetset Sports, had not made an offer as good as that accepted from Marcus Evans Limited.

5.4 Agreement between O.C.I. and T.H.G. for Rio2016

On the 16th December 2011 Patrick Hickey reported to the Executive Committee that T.H.G. had applied for the ticketing rights for the Rio Games, which is recorded in the minutes as follows:

“The President reported the T.H.G. Group has offered US\$600,000 to the O.C.I. to renew its Ticket Agent franchise for the 2016 Summer Olympic Games and the 2018 Winter Olympic Games. For the 2012/2014 Games the T.H.G. Group had contracted for US\$1m but in the present difficult economic circumstances the current offer was considered very satisfactory as the pressure for tickets would not be as heavy as for the London Games. In answer to a query the president confirmed that our acceptance of the offer was subject to the approval of the I.O.C. and the Rio and PyeungChang Organising Committees as was the case for London and Sochi Games. The Executive Committee agreed unanimously to this proposal on the proposal of the Hon. General Secretary and seconded by the First Vice President.”

In the same minutes there was further reference to T.H.G. in the context of the hospitality house to be based in London, which stated:

“The President reported on the present situation regarding the Roundhouse venue for our Hospitality House during the London Games. Guinness (Diageo) had withdrawn their intended sponsorship and the THG Group was seeking another ‘Title Sponsorship’ for approximately £300,000 sterling. The T.H.G. Group were investing £1,000,000 sterling themselves in the project, but needed a ‘title sponsor’ to proceed.”

Throughout the first half of 2012 a number of emails were exchanged between Patrick Hickey and Marcus Evans discussing the offer for the 2016 and 2018 Games, which resulted in an agreement dated the 27th March 2012 by Marcus Evans and signed by him on the 28th March 2012 on behalf of Marcus Evans Limited, and signed and dated July 2012 by Patrick Hickey on behalf of the O.C.I. (This document is in the Fifth Appendix, Document Two.)

This is a similar document to the 2010 Agreement, save for the following:

- There is no reference to the T.H.G. business model regarding hospitality or to generating money from the corporate market.
- It provides for a reduced rights fee of US\$600,000, which is subject to receiving the same allocation of tickets in Rio de Janeiro as in London.
- On this occasion express reference is made to the requirement for ultimate approval by the local Organising Committees of the Olympic Games, and indeed to the possibility that this approval may not be forthcoming, as follows:

“A payment of US\$60,000 will be paid when Marcus Evans Group are officially appointed as the Authorised Ticket Reseller for the O.C.I. by I.O.C./O.C.O.G. for Rio 2016. In the event that Marcus Evans Group is not officially appointed as the Authorised Ticket Reseller for the O.C.I. then neither this payment nor any further payments will be due under this clause...

A payment of US\$180,000 will be made when Marcus Evans receive notification of its initial allocation of tickets from I.O.C./O.C.O.G. for Rio 2016.

A payment of \$300,000... will be paid when Marcus Evans receive tickets from I.O.C./O.C.O.G. for Rio 2016.”

- As before, it is clear from the agreement that the company will use the tickets “*for its commercial activities*”, though again there is an additional line in the following clause (b) (clause 7(c) in the 2012 agreement) which recognises the requirement to follow any local regulations imposed by the O.C.O.G.:

“The Marcus Evans Group will be entitled at its discretion in the form it deems to be most commercial viable to package up tickets for the games with travel, accommodation, hospitality and other ancillary services as required by customers. It may also sell tickets only. It will sell to the territory of Ireland but to ensure compliance with EU law, will also consider and facilitate orders from anywhere within the EU. Marcus Evans Group are free to set prices at its discretion for its services and packages other than ticket only sales which will be at face value plus a reasonable handling charge as approved by and in accordance with the regulations of the local Organising Committee”

[These last words are underlined to indicate that they were added at the suggestion of Patrick Hickey by email dated the 31st May 2012.]

Unlike in 2010, there is no reference to this agreement in minutes of meetings of the Executive Committee of the O.C.I. in July 2012, much of which relate to various urgent issues concerning the pending London Games.

At the next meeting of the Executive Committee on the 24th October 2012, again there is no reference in the minutes to the agreement having been signed. The only reference to T.H.G. in the minutes is in the attached Finance Report, which under the heading of Income refers to a payment from T.H.G. International – Barbados on the 16th August 2012 of US\$60,000, which equates

to €48,256.20. This same sum is elsewhere referred to as “*THG – Ticket Refund*” and “*THG – Ticket Sales Bonus*”.

In an “*Executive Update*” attached to the minutes, there is a summary of matters which were being attended to in preparation for Rio 2016, including contacting the Brazilian N.O.C., but again no reference to the agreement entered into with T.H.G.

When sent a draft of the Report for comment, Patrick Hickey, through his solicitors, referred to T.H.G. as “the principal sponsor of the O.C.I.”. However, it seems that T.H.G. was not a sponsor in the true sense, but the A.T.R. Accordingly, the monies received and owing from T.H.G., (and, also Pro10), relate to the contracts referred to in this Report, the consequent ticket rights fees and any bonus or premium payments that might accrue thereafter.

5.5 T.H.G.’s Application to be A.T.R. for Rio2016

On the 10th September 2014 Vassia Mazanitou (N.O.C. Continental Manager – Europe in R.O.C.O.G.) sent a draft T.S.A. and draft Business Plan to the O.C.I. for completion. Martin Burke, Sports Director of the O.C.I., forwarded these documents to David Gilmore of T.H.G. on the 16th September 2014 and copied them to Patrick Hickey and Marcus Evans. The application was to be submitted to R.O.C.O.G. by the 10th October 2014.

On the 1st October 2014, David Gilmore sent a draft Business Plan to Martin Burke, asking him to review it with Patrick Hickey and to notify him of any amendments.

By email dated the 3rd October 2014, Mr Burke replied that he had discussed the matter with Mr Hickey on foot of which they suggested some amendments

to the Business Plan, which Martin Burke and David Gilmore then discussed at a meeting on the 7th October 2014.

The final T.S.A. and Business Plan were forwarded to R.O.C.O.G. by email on the 10 October and the 13th October 2014 respectively, hard copies of which followed by courier the following week, and receipt of which was acknowledged on the 3rd November 2014. (This T.S.A. and Business Plan are to be found the Fifth Appendix, Document Three.)

At paragraph A.2 of the Business Plan, T.H.G. cited its experience in London 2012 at which, it stated, it was able to draw on its *“ability to provide travel and accommodation to ensure the ticket holders could travel to the games and stay in a range of local accommodation”*. It referred to its *“vast experience in the events industry”* in organising over 1,000 annual events, which it said *“suited the varied requirements of the public ranging from ticket only to high end accommodation”*.

Interestingly, (and in contrast to the reduced rights fee in its agreement with the O.C.I.), T.H.G. predicted that it would require more tickets for Rio than London:

“The main challenge we faced was satisfying the demand of both the general public and sponsors for the adequate provision of tickets for certain events where we do not feel that we received a sufficient allocation for finals events and our initial, but comprehensive, research has indicated that demand for Rio will be even stronger than London as many nationals see the games as an alternative to their usual holidays – Demand will be high and we at least expect to order the same number of tickets as for London”

The Business Plan also referred to the Irish house in London which they hoped to replicate in Rio.

At para B.1, it stated:

“The events therefore that we feel there will be a significant level of interest are the Opening and Closing ceremonies, Athletics, Badminton, Basketball, Boxing, Canoeing, Cycling, Equestrian, Golf, Gymnastics, Rowing, Sailing, Swimming and Tennis”,

which T.H.G. broke down according to each sport. In particular, they stated that they expected demand for 400 Opening Ceremony tickets and 300 Closing Ceremony tickets, of which 70% would be for the two top price categories on the basis that *“those travelling to the games based on our experience for the ceremonies if possible have looked to buy the best tickets available”*.

The Business Plan further indicated that T.H.G. would offer a range of packages to those travelling, from ticket-only to ticket plus a range of accommodation. In all, they expected that 30% would be ticket-only and indicated they would add a handling charge of up to 20% of the face value of the ticket. They also committed to granting as many tickets as possible to athletes and their families (para C.10). At para. C.12, they were specifically asked how they would prevent tickets being used in unauthorised hospitality programmes.

On the 13th November 2014, Vassia Manazitou of R.O.C.O.G. replied to Martin Burke confirming receipt of the T.S.A. and Business Plan and attaching a sign-up form for the Client Ticket Portal. She made it clear, however, that this did not signify approval of the A.T.R., but instead requested additional documentation requiring proof of signatory before it could be approved.

5.6 A Problem with T.H.G.

On the 30th January 2015 an email from R.O.C.O.G. to Patrick Hickey indicated that the process of evaluating the nomination of T.H.G. as the A.T.R. was not completed and that there were some outstanding questions for T.H.G. Interestingly, in the context of the Irish public and fans, the letter signs off by saying *“The entire Rio2016 team is committed to working with you to make sure that fans in your territory have a fair chance to be part of Rio 2016, that you are able to serve the needs of the friends and families of your participating athletes, and that your ticket sales programme is a success”*.

On the 2nd February 2015, [REDACTED] R.O.C.O.G. emailed David Gilmore of T.H.G. as follows:

“Dear Mr Gilmore

After review of the Ticket Sales Agreements and Business Plans you have submitted to Rio 2016 for Ireland and Greece, we would like to meet with you in order to clarify some doubts and questions we have. This is a standard procedure we must go through during the final phases of our evaluation process.

We would like to invite for a Conference Call tomorrow at 17.00GMT...”

In a response by email the following day, David Gilmore took issue in particular with the use of the word *“doubts”* which, he said, *“can create a certain amount of innuendo”*. Patrick Hickey also sent an email the same day expressing similar concerns with the language used in [REDACTED] email, which he said *“can have very serious overtones”*. He also took issue with the fact that [REDACTED] had not the courtesy to notify the O.C.I. of his concerns, asking that *“when contacting our A.T.R. that you would keep the N.O.C. in the loop”*.

It is clear from subsequent correspondence that these concerns related to allegations T.H.G. had sold tickets outside their territory during the London Games, and they had attempted to sell tickets to someone in Brazil. On the 6th February 2015, Marcus Evans sent an email with a draft response to Patrick Hickey rejecting the allegations in the strongest terms which concluded with a paragraph which stated *“In summary, we have a job to do to maximise income for our N.O.C.s. Our N.O.C.s have rights and they quite rightly need revenue from these rights...”*. A letter to this effect was duly sent by Mr Evans to R.O.C.O.G. later that day.

In an email dated the 8th February 2015 to Pere Miro entitled *“T.H.G. Rio A.T.R.”*, Patrick Hickey made it clear that he had spoken to Mr Evans and asked if they could all meet in order to find a solution. Interestingly, at the end of this email he notes that he has been looking at the A.T.R. regulations and has noted, (maybe for the first time), that the final decision maker and sign off is by the I.O.C.

From subsequent email correspondence, it becomes clear that the concerns relating to T.H.G. were, at least in part, based on allegations that [REDACTED] was involved in selling tickets above market value during the World Cup 2014. It should be emphasised that, in an email to Mr Hickey dated the 9th February 2015, Mr Evans strongly rejected these allegations, believing they were made in bad faith by a competitor. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Later on the 10th February Patrick Hickey emailed Marcus Evans recounting a conversation he had with the President of R.O.C.O.G., Carlos Nuzman, in which he had stated that [REDACTED] was arrested [REDACTED] [REDACTED] for illegally dealing in tickets, and secondly that T.H.G. had been involved in the sale of packages for Rio2016 through a firm called MIDEA Carrier, one of which they attempted to sell to a Director of Rio2016. Mr Evans insisted that [REDACTED] was only questioned about a wider investigation and not arrested, and that he left the country freely. He also stated that while the MIDEA company was a client of T.H.G., it would have been made clear to them that any hospitality package sold by T.H.G. did not include tickets.

At Patrick Hickey's request, on the 18th February 2015 Marcus Evans forwarded to him legal correspondence confirming that neither [REDACTED] nor T.H.G. had been the subject of any criminal prosecution during the World Cup, so that Mr Hickey could show them to representatives of R.O.C.O.G. during a planned visit there that week.

Having received them, Mr Hickey emailed Howard Stupp, Director of Legal Affairs at the I.O.C., on the 20th February 2015, to say he would show them to Carlos, (presumably Carlos Nuzman, President of R.O.C.O.G.), to show Mr. Nuzman that the R.O.C.O.G.'s information was untrue, and further stated that he would "*defend very strongly the appointment of our A.T.R. for the N.O.C. of Ireland*". On the 23rd February 2015, he emailed Mr Evans saying he was "*lobbying hard*" and was "*quietly confident*".

By email dated the 25th February 2015 Mr Hickey told Mr Evans that he had met with R.O.C.O.G. and their lawyer and that he was shown documents including an arrest warrant for [REDACTED] and also shown brochures relating to T.H.G. packages been offered for sale in Brazil. Mr Hickey went on to inform Mr Evans that:

“naturally I gave then the usual argument. However I can say to you that your agents were sloppy and should have been more careful especially as it was coming up to A.T.R. appointment time”

He also spoke of *“playing his aces in the background”*, and that *“we will have to be careful”*.

Patrick Hickey also forwarded the documents he had been sent by Mr Evans to a law firm that had been engaged by R.O.C.O.G., and gave them contact details for David Gilmore.

5.7 Rejection of the Application by T.H.G.

By letter dated the 13th March 2015, Sidney Levy (C.E.O. of R.O.C.O.G.) informed Christophe Dubi of the I.O.C. that R.O.C.O.G. had rejected T.H.G.’s application, citing the reason that T.H.G. were already offering hospitality packages in the Brazilian territory in breach of Clauses 4.4, 4.5, 5.1.b and 6.1 of the T.S.A. Patrick Hickey forwarded the letter to Marcus Evans, mentioning that Mr. Dubi had suggested that the O.C.I. could be appointed A.T.R. and could then sub-contract to T.H.G., though personally he doubted if this would work.

As previously, Marcus Evans sent his draft response to Patrick Hickey, who approved it and suggested it should be sent directly to Mr Levy, copied to Carlos Nuzman, President of R.O.C.O.G. .

By letter dated the 17th March 2015, Marcus Evans wrote to Mr Levy asking R.O.C.O.G. to reconsider and offering the following explanation:

“By way of explanation of our trade, a different T.H.G. Group Company to the A.T.R. offers an independent hospitality facility whereby Clients can attend our hospitality events without purchasing event tickets. This is the same as may be offered by any hotel or restaurant. The reason that this facility has been made available is that we discovered, from our involvement in London 2012 and Sochi 2014 that many of our global clients wished to attend a hospitality event only, without actually requiring tickets. In some instances, our Clients will obtain tickets separately of their own accord from other official authorise sources in their own jurisdiction whilst others are happy just to come to a hospitality event and have no desire to attend the sporting event. No tickets are provided as part of hospitality packages and this is clear on all marketing materials including those sent to us by your lawyer, with no mention of tickets in the list of what’s included in the price. I would also point out that none of our hospitality only packages have any reference to being an official Rio 2016 hospitality offering and in fact we say clearly that we are independent of the event organizers, Rio 2016 etc. I would also like to add that every contract signed by a client for hospitality states clearly within the contract that NO TICKETS ARE INCLUDED AS PART OF THE CONTRACT. It further states that we are independent of the event organisers.”

[The underlining here appears in the original text, as do the words with all the letters in upper case.]

Mr Hickey forwarded this letter also to other members of R.O.C.O.G.

From a further email sent by Marcus Evans to Patrick Hickey on the 27th March 2015, it appears that Mr Levy's lawyer had suggested that the O.C.I. send a letter saying they will monitor T.H.G.'s activities to ensure compliance with the T.S.A. This letter was duly sent on the 29th March in the following terms:

“Dear Mr Levy

Regarding the above appointment this is to confirm that the Olympic Council of Ireland agree to supervise monitor and control as to how our A.T.R. will operate the sale and distribution of the tickets for the Rio games.

We have full confidence in our A.T.R. and our N.O.C. had an excellent experience with them during the London and Sochi Olympic Games and we received no complaints from any source regarding their conduct of the ticketing procedure.

Furthermore, we will set up a subcommittee from our N.O.C. to meet and work with T.H.G. on a regular basis in order to ensure that the terms and conditions of the agreement are fully respected and complied with.

We will accept responsibility for their conduct and operation of ticket sales.”

On the 1st April 2015 Patrick Hickey emailed Marcus Evans to say that R.O.C.O.G. was still pushing for what he termed “*Plan B*” (the O.C.I. to be appointed A.T.R. with T.H.G. as sub-agent) and said “*It is very essential now that your Solicitors engage with Sergio [Sergio Mazzillo, Legal Counsel to R.O.C.O.G.] on this matter as on our side I.O.C. and I we [sic] want you appointed as A.T.R.*”

There was further email contact between Mr Hickey and Mr Evans regarding the precise terms of the agreement between the O.C.I. and R.O.C.O.G., but

having received no further confirmation Mr Hickey sent a request for an update to Mr Dubi on the 22nd April 2015.

On the 29th April 2015 Sidney Levy, (Chief Executive Officer of R.O.C.O.G.), sent an email to Christophe Dubi, (Executive Director of the Olympic Games at the I.O.C.) saying they were *“informed that T.H.G. is promoting in Brazil the sale of “hospitality packages” for sporting events and ceremonies to be held during the Olympic games in 2016, and besides that we have information that investigations about T.H.G. are currently being carried on by the Department of Police of the State of Rio de Janeiro”*. Mr Levy further noted that the I.O.C. supported the decision of R.O.C.O.G. not to appoint T.H.G. as A.T.R.

The following day, Patrick Hickey replied to Mr Stupp that he was *“appalled”* at the last paragraph as he had not even appealed to the I.O.C., and further mentioned that Mr Evans had confirmed that his lawyers told him T.H.G. was not under police investigation.

In a slightly different tone, however, Mr Hickey emailed Mr Evans later that same day, the 30th April 2015, pointing out that:

“....Rio are incensed on the attached brochure as they guess very well for that price a ticket has to be included and this is one of the major reasons for blocking you. I had an off-the-record chat with Legal guy at the I.O.C. and I think it's very unlikely that the I.O.C. would have the legal capacity to force Rio to appoint T.H.G. as sub-Agents. So, therefore, I do not think this is going to happen. We have to put our thinking caps on as to how T.H.G. could operate. If the N.O.C. of Ireland becomes the A.T.R., how could it operate then for us to pass on the tickets on to yourself without causing more problems? Is there another Agent who you could use as a sub Agent with whom you have a good relationship with and you could operate through them...” [Underlined for emphasis]

The brochure to which this refers is to be found in the Fifth Appendix, Document Four. It relates to the Opening Ceremony, Men's 100m Final and Closing Ceremony, for which the price for 10 hospitality places in an executive club is US\$ 159,500 plus 24% service charge, which price did not include tickets to either event, but involved a reception, lunch with a celebrity speaker, a full bar and transfer (if required) to Stadium.

Had T.H.G. been approved as the A.T.R. for Ireland, it would have been permitted to sell hospitality packages, but only by active sales in Ireland and by passive sales in the other member states of the E.U., as authorised by the terms of the T.S.A. and R.O.C.O.G.

On the 5th May, 2015, Aurélie Berak of R.O.C.O.G. emailed Mr Hickey confirming the rejection of T.H.G. on the grounds that R.O.C.O.G. was "*not confident of your proposed ATR's commitment to abiding by the terms of the Ticket Sales Agreement and to ensuring the integrity of the Rio 2016 ticketing programme*". She also referred to the fact that T.H.G. had already created a ticket request on the Client Ticket Portal, and indicated that this order would be maintained for the replacement A.T.R.

In response to a query as to what the initial allocation was to T.H.G., R.O.C.O.G. confirmed on the 20th May 2015 that the request did not make use of the available options to maximise allocation, such as the cascade option, and that "*in terms of demand levels, the request was not balanced, as instructed by Rio 2016, but was for 85% high demand sessions and 15% for regular demand sessions*". It was also noted that tickets for Football and 'Follow My Team' packages were not requested.

It is clear from a number of emails dated in the months of June and July, 2015, that Patrick Hickey was giving consideration to appealing the decision to reject

T.H.G. as the A.T.R. to the Court of Arbitration for Sport, (C.A.S.), but that this option was not pursued.

5.8 Emergence of Pro10

In an email to Patrick Hickey entitled “*My Thoughts*” on the 6th May 2015 Marcus Evans set out a number of options such as the appeal to C.A.S., or the O.C.I. acting as the A.T.R. The email included the following options:

“2) O.C.I. contact R.O.C.O.G. and say they are minded to take on A.T.R. themselves probably through a 100% O.C.I. owned subsidiary set up for the purpose...”

3) O.C.I. set up Irish newco 100% owned by O.C.I. to act as A.T.R. subagent (not sure if a 100% subsidiary needs official appointment but will check) – Name to be discussed – We may want A.T.R. in this co name in the beginning so no legal obligations fall on O.C.I.

4) O.C.I. enter into an agreement with ME group to manage the newco on their behalf – agreement will allow ME to charge at end of contract for time spent – we will cover any excess cost by paying sponsorship fee to O.C.I. though newco commission will cover some of cost – ME group will as part of agreement lend newco money to buy tickets and will be repaid as tickets are bought by 3rd parties – newco will likely not make a profit as it will have income on tickets offset by expenses on tickets and ME fees but will breakeven – as part of management agreement ME will file accts etc – This arrangement does not need to be disclosed to anyone under A.T.R. or any other rules NB A.T.R. agreements dont prohibit in anyway appointment of people to manage a company or receive loans

5) ME will continue to sell hospitality and act as nominees for its clients to source tickets – We dont need to be an A.T.R. to do this albeit not being an A.T.R. does in someway restrict our revenue potential hence still worth going to C.A.S. if possible

6) Nearer games time newco will process ticket orders through its website and make available to 3rd parties in fair method just as we did for London – If our clients wish to apply to newco for tickets they will contract direct and pay direct so we arent in the middle other than recommending the newco to them as a potential source – newco will sell them tickets only if they are allowed to do so under A.T.R. rules i.e. passive euro enquiry or nearer games time passive enquiry from anywhere in world – A.T.R. agreement states A.T.R. may sell tickets to anyone anywhere on a certain date near games time

7) O.C.I. might write to I.O.C. explaining what if anything needs to be explained to them as to the process – however not sure what they need to know as above is within rules and fairly simple”

This email was attached to an e-mail sent by Patrick Hickey to Barry MacCarthy, at the time solicitor acting for the O.C.I.

Among the documentation submitted as part of its application to be appointed as A.T.R. is a certificate showing that “*Pro10 Sports Management*” was registered as a business name by Kmepro Ltd. on the 20th May 2015. According to the accompanying Certificate of Incorporation, Kmepro Ltd. had only been incorporated on the 28th April 2015.

On the 22nd May 2015, Marcus Evans forwarded Patrick Hickey a link to the website of Pro10, stating:

“I am not sure if you know Eamonn Collins however I have had many football related dealings with him and his co has a track record that could make the co an excellent A.T.R. - Will discuss how this might work when we speak”

In reply, Mr. Hickey wrote that he did not know him but would study the website. On the 25th May 2015, he forwarded it to the O.C.I. solicitor, Barry MacCarthy.

On the 22nd June 2015, Michael Glynn, (on behalf of Kmepro Ltd. trading as Pro 10 Sports Management), sent a proposed agreement to Patrick Hickey, which Mr Hickey duly signed (and which can be found at the Fifth Appendix, Document Five).

The terms of this agreement were in very similar terms to the previous agreement entered into between Marcus Evans Limited and the O.C.I. in July 2012, save for the following:

- The agreement applied to Rio2016 only, and not to PyeongChang 2018.
- The rights fee payable was US\$ 100,000, half of which was to be paid on appointment, and the second half on receipt of the tickets. The agreement contained a similar term to the previous agreement to the effect that if Pro10 was not appointed A.T.R. then no payments were due.
- This rights fee is subject to Pro10 receiving the following tickets –
 - From the Public Order:
 - (i) a minimum of twelve Closing Ceremony tickets (four Cat A and eight Cat B)
 - (ii) eight Opening Ceremony tickets (four Cat A and four Cat B)

- From the OCI Family Order:
 - (i) Fourteen Closing Ceremony tickets (four Cat A, two Cat B, six Cat C and two Cat D)
 - (ii) Twenty-eight Opening Ceremony tickets (two Cat A, four Cat B, four Cat C and eighteen Cat D)
 - (iii) twelve tickets from Session AT005 (four Cat B, two Cat C and six Cat D)
 - (iv) four Cat B tickets for Session AT014 and
 - (v) four Cat B tickets for Session AT015.

- It was provided that Pro10 would pay face value for any tickets allocated to it from the Family Order.

- Clause (k) provided that Pro10 would pay the following premiums in excess of the Rights Fee of \$100,000 and for all additional ceremony tickets not listed above:
 - (i) Opening Ceremony Cat A - US\$ 1,500
 - (ii) Opening Ceremony Cat B - US\$ 1,000
 - (iii) Opening Ceremony Cat C – US\$ 600
 - (iv) Opening Ceremony Cat D - US\$ 500
 - (v) Closing Ceremony Cat A - US\$ 1,000
 - (vi) Closing Ceremony Cat B - US\$ 600
 - (vii) Closing Ceremony Cat C - US\$ 500
 - (viii) Closing Ceremony Cat D - US\$ 250

- There was no clause requiring Pro10 to work with the athletes' family programme for 2 non ceremony tickets.
- There was no clause requiring the O.C.I. to assist Pro10 with requests for accreditation.
- There was no option to renew clause.

Given that his company was ostensibly out of the reckoning for consideration as an A.T.R., it is curious that on the 28th July 2015 Marcus Evans emailed Patrick Hickey comparing the allocation of tickets in London 2012 and Rio 2016 and suggesting that Patrick Hickey should try to get an increase of tickets as follows - 150 tickets for the Opening Ceremony and tickets for the Mens football final, basketball final and the Mens 100m final. He then referred to bonus sums that would be payable for any such increased allocation (which, it should be noted, are identical to those payable under the agreement with Pro 10 as set out above), and added:

“If the above could all be obtained then on top of the revised contract value of \$100k there would be add ons of \$475,000 which gets back to near the original deal.”

In the context of the delay in appointing the replacement A.T.R. and the blame for this being attributed to R.O.C.O.G., it is of note to observe that on the 14th August 2015 Marcus Evans emailed Patrick Hickey thanking him for the update regarding the additional tickets and stating:

“...I would suggest I wait to comment on the allocation and what to reduce etc until they consider the additional requests which if successful will I assume be presented in a similar format to the attached with a further breakdown of any additional tickets.

Do you have any idea when they may give you a final allocation.

If its going to take a while I see no reason not to sign the A.T.R. agreement (David can provide a current document to Martin if he calls him) and start the A.T.R. application process as even the attached without extras adds revenue to the basic deal for the O.C.I. You may however feel you have more bargaining power with R.O.C.O.G. if you can say you need more premium tickets to persuade a replacement A.T.R. to sign on comparable terms so I am led by you as to what is best...

In reply on the 15th August, 2015 Patrick Hickey indicated to Marcus Evans:

“Thanks Marcus,

...I will hold off on the appointment of the new A.T.R. as it gives me more negotiating power.

While I note that you are holding your comments until you see the new offer are there any points in the latest offer that I sent you that you can expand on that might be of assistance to me in my negotiations”

[The underlining in these last two emails has been added for the sake of emphasis.]

There was further contact between the O.C.I. and representatives of Marcus Evans in relation to the application by Pro10 to be considered as A.T.R. on the 21st August 2015 when David Gilmore sent an email to Martin Burke asking him to return the “*Pro10 ATR Agreement*” as they wished to re-date it.

This was followed by a further email from Martin Burke to David Gilmore on the 4th September 2015 as follows:

“Hi David

Having regard to the final package of tickets that Pat arranged with Marcus and having regard to the formula in the Pro10 Contract, can you calculate and give us a figure now of the total monetary value for the contract with Pro10”

Furthermore, on the 17th September 2015 Linda O’Reilly, (Personal Assistant to the President of the O.C.I.), forwarded the list of tickets allocated to the O.C.I. to Mr Gilmore, which was followed by further email exchanges over the following days between Mr Burke and Ms O’Reilly on behalf of the O.C.I. and Mr Gilmore on behalf of T.H.G., all relating to the ticket allocation. On the 21st September 2015 Mr Burke emailed Mr Gilmore, saying Patrick Hickey was wondering if he could call over that afternoon *“to go through the ticket allocation”*, and on the 23rd September 2015 Mr Burke emailed Mr Gilmore a list of *“the additional tickets we agreed T.H.G. would take from the remaining allocation from both Rio2016 and I.O.C.”*.

It should be noted that, from the emails seen by this Inquiry, no representative of Pro10 was sent copies of any of these exchanges.

On the 23rd September 2015 Martin Burke forwarded details of an *“A.T.R. ticketing webinar”* to David Gilmore, to which he added:

“Do you want to take a look at it? If so, and you have any questions can you send them on to me and I’ll ask them on your behalf? Probably best if you don’t ask the questions directly yourself!”

On the 25th September 2015 Mr Burke forwarded Mr Gilmore some notes Ms O’Reilly had made on the webinar, and she also highlighted in particular the

fact that orders for tickets would be cancelled if the first instalment was not paid and stating that if T.H.G. had not done so the new A.T.R. should do so to ensure they did not lose the order.

There was a further exchange of emails between Martin Burke and David Gilmore on the 29th September 2015 relating to ticket allocation, the subject of which was "*T.H.G. Additional Tickets 29th Sept*".

Only on the 5th October 2015, over three months after the agreement between Pro10 and Patrick Hickey, did Martin Burke inform R.O.C.O.G. that the O.C.I. now wished to appoint Pro10 as the new A.T.R. When sent the draft Report, Mr. Burke commented "*that the President had instructed the O.C.I. staff to hold off on advising R.O.C.O.G. and it was only then in October that Martin Burke was instructed by the President.*"

On the 13th October 2015, Mr Hickey emailed Martin Burke (copied to Linda O'Reilly) under the heading "New A.T.R." and requested that Martin Burke "*ring David and ask him where is he with the report we need for the above for Rio.*" He included in the email a direction not to email David Gilmore.

Martin Burke replied to Patrick Hickey on the same date as follows:

"Hi Pat

I rang him yesterday.

He says the new A.T.R. are working on the reports. They have applied to their bank for a letter of guarantee, which David reckons takes about a week or more to get.

He said he will chase them to get it completed."

A week later on the 20th October 2015, David Gilmore forwarded the Pro10 Business Plan and supporting documentation to Martin Burke and asked him to

review them. He also stated that the insurance was not in place but that “we have provided an undertaking to put in place if appointed”. The following day, Martin Burke forwarded this Pro10 documentation to Patrick Hickey.

5.9 Application by Pro10 to be the A.T.R. for Rio2016

In the Business Plan, (to be found in the Fifth Appendix, Document Six), submitted along with its application to be appointed A.T.R., the company stated:

“As you can see from our website www.pro10.ie we have a vast experience in arranging tours for clubs and their supporters across Europe. Based in Ireland we also are used widely by clubs and supporters carrying out training activities in Ireland. Our staff understand the need and requirements of professional clubs and supporters. We understand the requirement for top quality facilities, comfortable accommodation and we will use this experience for Rio 2016.

Being an Irish company our home market is naturally the one we know best – We have for many years been servicing the Irish market in terms of their needs for attending events in Ireland and abroad. This involves ticketing, travel and accommodation. We will be using this experience and our extensive Irish sports supporter database to ensure all Irish Olympic fans are catered for in terms of their needs for 2016 whether it be ticketing or accommodation.

...

We appreciate that some events will be sold out and not all fans will access the events they want to attend – We will be operating a ballot system for the more popular tickets.

Over the last number of years, we have catered for the travel, ticketing and accommodation arrangements for the following U.K. and Irish Football Clubs...”

In the section of the Business Plan relating to the type of tickets required, the company referred to boxing, golf and rugby and added *“We also expect based on the information the O.C.I. provided us with regards to previous ticket requests that the main stadium events will be very popular as well as ceremony tickets.”*

The application indicates that they will offer the following packages: Ticket only, Ticket & Hotel and Irish House Access, and that they propose to offer 40% of the tickets for Ticket only sales to the General Public and Olympic Family. With regard to the accommodation packages, they adverted to difficulties in sourcing appropriate accommodation in Rio, but indicated they intended to rely on their *“longstanding relationships”* with international hotel chains to meet their customers’ demands. They further undertook to charge no more than 20% fees for each ticket.

For the Games themselves, they said they would be guided by the O.C.I. as to how to facilitate the N.O.C. Family and that they would have *“the full resources necessary to deliver an exceptional service level to the N.O.C. Family”*. For the general public, this service would include *“people on the ground during Games time to assist their transportation from the various venues and hotels and have a customer helpdesk located at the Irish House in Rio”*.

Finally, the application stated:

“If we receive applications for corporate clients we will use our best endeavors to ensure that they are not involved in any hospitality operations and we will ensure that our sales team remains vigilant to these types of enquiries. We will pay special attention to any requests for group bookings.”

On the 21st October 2015, Martin Burke sent an email to Patrick Hickey (copied to his Personal Assistant, Ms O’Reilly) saying he has had a look at the Business Plan and stating it is *“not as professional as the T.H.G. version”*. He goes on to observe, however: *“That said, it is not a copy and there is no similarity between two plans”*. Later the same day, he forwarded a number of specific comments to David Gilmore correcting some factual errors and requesting: *“Can you ask the guys to make these changes and send it through again?”*

On the 22nd October, Mr Burke forwarded the above documentation to R.O.C.O.G., who replied that they could not initiate the approval process without a signed copy of the T.S.A.

On the 23rd October, Mr Burke again emailed Mr Gilmore attaching the T.S.A., saying he had *“completed it as much as I can”* but requesting further information by that afternoon. The T.S.A. was duly completed and signed on the 28th October 2015 by Patrick Hickey on behalf of the O.C.I., Mr Glynn on behalf of Pro10 and Mr de Kepper and Mr Stupp on behalf of the IOC. It was forwarded to R.O.C.O.G. on the 30th October, but did not include a company stamp for Pro10 as, according to David Gilmore, Pro10 was a trading name and they did not have a stamp. When this was accepted without the stamp, Mr Burke emailed Mr Gilmore to the effect that R.O.C.O.G. were making this up as they were going along. (See the Fifth Appendix, Document Seven for this T.S.A.)

On the 16th November 2015, Aurélie Berak of R.O.C.O.G. sent an email to Michael Glynn of Pro10 referring to an earlier phone call in which R.O.C.O.G. had raised a number of queries arising from the A.T.R. application. The email was in part a note of this conversation and in part a request for further information on matters referred to during it. The matters discussed included the ticketing experience of Pro10, how it intended to operate in Rio and how it would tackle the illegal resale of tickets. In response to a further query on the origins of the relationship between Pro10 and the O.C.I., the email records that: *“According to Michael Glynn, the deal came to life through the relationship between Eammon [sic] Collins and the Olympic Council of Ireland. More details to be provided by Eammon [sic] Collins”.*

On the 18th November 2015, Marcus Evans forwarded to Patrick Hickey a draft letter from Pro10 to R.O.C.O.G. providing the further details requested above. Mr Evans added that *“No names will be mentioned unless asked”*. Mr Hickey approved the draft which sets out the purported origin of the relationship between the O.C.I. and Pro10 and which reads as follows:

“The arrangement came about as a result of an enquiry I made to the O.C.I. regarding tickets for the Football Tournament at Rio2016. Firstly, earlier this year, I was told that the O.C.I.’s agent would be in touch shortly as they were in the process of being appointed, then some months later when I had not received a response I followed up again whereby I was told by the O.C.I. that they now did not have an agent. It was at that point I started discussing with the O.C.I. the possibility of Pro10 becoming their agent as we have a background in sports travel and felt that this was a good opportunity for PRO10 to strengthen its brand by working with the main sports organisation in the country. The negotiations concluded pretty quickly once we settled on the key terms and now we are waiting for the final ok from O.C.I.”

On the 19th November 2015 Eamonn Collins sent an email in these exact terms to Ms. Berak of R.O.C.O.G.

At the same time, (on the 18th November 2015), Patrick Hickey expressed his annoyance in an email to Père Miro of the I.O.C. at the queries raised by R.O.C.O.G. pointing out that if they were not cleared up immediately *“I will have to bring it back to the President and the EB, as you know very well he approved the new process”*.

On the 26th November 2015, R.O.C.O.G. approved Pro10 as the A.T.R. Mr Hickey notified Mr Evans by email that evening with a draft announcement for his approval which it was intended to put on the O.C.I. website. The appointment was confirmed by letter dated the 27th November 2015 signed by Ms Berak on behalf of R.O.C.O.G.

In regard to the selection of Pro10 by the O.C.I., the Inquiry notes that later, after the arrest of Kevin Mallon, press questions were asked of the O.C.I.’s Press Relations Officer about Pro10, which included the question *“Why was a small firm like Pro10 selected as opposed to a larger firm?”*

By email dated the 12th August 2016 Patrick Hickey suggested the following answer: *“Something like they made a good and professional presentation. I will leave it to you.”*

5.10 Information of the Parties

As outlined in the introduction to this Chapter, the foregoing account is based largely on a record of emails and the accompanying documentation. The Inquiry also consulted a number of relevant parties on the above sequence of events, and where possible, put the content of these emails to them. As

indicated, those parties included some representatives of the O.C.I. but did not include Patrick Hickey or any representatives of either T.H.G. or Pro10.

In general terms, what was striking about the consultations which were conducted was the consensus that it was Patrick Hickey, rather than the Executive Committee, who looked after ticketing and marketing matters.

As stated by Kevin Kilty, Treasurer of the O.C.I. from August 2014 until his resignation on the 18th October 2016 and also Chef de Mission at the Rio Games,

“the way Mr. Hickey operates is that he doesn’t make anyone party to his discussions, he doesn't invite you, certainly you will see no e-mails from me or to me relating to anything to do with ticketing or invoicing of sponsors, this is something that he very much kept within the office and within his bailiwick”.

Similarly it was stated by Billy Kennedy, who succeeded as Treasurer on the 2nd November 2016:

“The sale of tickets wouldn’t be discussed at Executive Board level, it would be part of the day-to-day duties of the administration staff in the office”

There was no routine practice of Patrick Hickey informing the Executive Committee of developments relating to ticketing. However, William O’Brien, the First Vice-President, stated:

“Pat never hid anything. If you asked Pat anything, you got the answer.”

For their part, the staff of the O.C.I. also attributed sole responsibility for marketing and ticketing matters to Mr Hickey. Insofar as it is clear from the

above that he sent and received a number of emails relating to these matters, Martin Burke, the Sports Director of the O.C.I., stated:

“I was instructed to send those e-mails, I would never have sent an e-mail regarding ticketing or anything to Rio off my own bat.”

None of the representatives of the O.C.I. consulted by the Inquiry had any involvement in the selection of either T.H.G. or Pro10, or in any negotiations with them as to the terms on which they would be appointed A.T.R. While the initial appointment of T.H.G. in 2010 was reported to the Executive Committee, it seems that this was by way of information rather than consultation. None of the members of the Committee consulted gave any consideration to the details of the agreement, including the important question of how T.H.G. would seek to recover the rights fee paid from the sale of tickets, and how this might impact upon the service and tickets provided to the Irish public.

As an illustration of how the Committee viewed this rights fee, Dermot Henihan, the Honorary General Secretary, stated:

“Like we were just happy that someone was giving us a good fee to do this.... there would be twelve of us sitting around the table and when it would be announced, or whatever way you want to put it, that we he had got this money, our rights for our A.T.R., everybody would be happy and there would be no complaints.”

With regard to the subsequent difficulties with T.H.G. and its replacement by Pro10, there was some disparity as to when various parties became aware of this issue. Billy Kennedy stated that he first became aware of Pro10 on the 7th April 2016 when payment of its rights fee was recorded in the Financial Report presented to the meeting of the Executive Committee. Dermot Henihan said he could remember Mr Hickey telling the Committee that T.H.G. had been rejected as A.T.R. He was aware of the appointment of Pro10 but could not remember if

that was discussed before the Executive Committee and appeared to accept that the fact it was not recorded in the minutes suggested it was not discussed. William O'Brien recalls being informed of the difficulties with T.H.G. relating to an incident during the World Cup in 2014. His account of the role of Pro10 was as follows:

“My understanding was that it was an agreement with the I.O.C. that Pat would look for another company that would deal with the tickets here in Ireland and that they could sell them through T.H.G. That was my understanding of it.”

Kevin Kilty, the Honorary Treasurer of the O.C.I. could not remember any discussion of T.H.G. and Pro10, stating that he was told early on to refer any matters relating to tickets to Ms O'Reilly and Mr Hickey. Likewise, Sarah Keane had no recollection of any discussion of T.H.G. or Pro10 by the Executive Committee:

“This appointment and what I subsequently heard in terms of appointments of Pro10 in 2015 when I was on the Board, that was never brought to my attention or it was never approved at Board level. There was never any discussion on it at Board level either.”

Professor Ó Catháin said there was no discussion of T.H.G., Pro10 or ticketing at any meeting of the Executive Committee which he attended.

Persons called to the consultations were also asked about the emails above which suggested some on-going involvement by T.H.G. in the application of Pro10 to be considered as an A.T.R. As with other matters to do with marketing and ticketing, none of the members of the Executive Committee was aware of any such on-going involvement, and they were not consulted on the suitability of Pro10 as an A.T.R. Given subsequent difficulties as discussed in Chapter Eight, Ms Keane expressed some concern in this regard:

“I would like to think that we would have been told that Pro10 was only in existence three or four months. I think we all would have had concerns around that as well.”

Dermot Henihan also commented on this apparent on-going involvement between T.H.G. and Pro10:

“It looks like now that there is some connection but I don’t know the people at all, I have never met these people. Going on what came back there was obviously some interconnection between them. I don’t precisely know what that is.”

Stephen Martin, the Chief Executive Officer of the O.C.I., also expressed concern at this apparent connection, although he suggested that Pro10 may have required some assistance and that T.H.G. may have had an interest in providing it in the hope of being appointed as A.T.R. in future:

“they [T.H.G.] are looking at being a ticketing agent next time round and I suppose Pro10 had very limited experience in ticketing and he would help make sure they were able to deliver a service.”

The parties who were clearly aware of this on-going relationship from the above emails were Martin Burke, the Sports Director of the O.C.I. and Linda O’Reilly, the Personal Assistant to the President. Mr Burke recounted that he attended a meeting with Pro10 in December 2015 following their appointment as A.T.R. at which Mr Gilmore was present, stating:

“it was pretty clear to me that they [Pro10] didn’t understand Olympic ticketing but that David did and David was advising them or telling them what to do.”

In all the circumstances, Martin Burke’s conclusion was that Pro10 was a “friendly company” to T.H.G. Similarly, Linda O’Reilly stated that following

the appointment of Pro10 Patrick Hickey told her to continue to deal with David Gilmore. When it was suggested to her that control remained with T.H.G. and Marcus Evans, Linda O'Reilly said “*Yes, that was the case*”. The reason for this, in her view, was that Mr Gilmore had placed the original order for tickets on the ticket portal:

“My understanding was that David Gilmore was the person who had placed the original order for Rio 2016 on the web portal on Rio 2016 website and he was overlooking everything that was happening with PRO10. If we sent him an e-mail he'd reply and say; I'll tell Eamon or I'll tell whoever to have a look at that and make sure it happens and I assume that that was the case.”

Her understanding of how Pro10 became involved was that T.H.G. introduced them to Patrick Hickey, an account which she agreed was “*wholly contrary*” to that given by Pro10 itself in response to a query from R.O.C.O.G. as to the origins of its relationship with the O.C.I. on the 18th November 2015.

Chapter Six

Tickets Allocated to the O.C.I. for Rio2016

6.1 Introduction

This Chapter must be seen in the context of the restrictions previously noted at Chapter Two, restrictions caused by the position of non co-operation taken by several of the parties involved. Attempts by the Inquiry to ascertain the exact journey taken by every ticket allocated to the O.C.I would have been helped by information as to the purchaser of each ticket.

As seen in Chapter 4.4, pursuant to clause 6.8 of the Ticket Sales Agreement (T.S.A.), every Authorised Ticket Reseller (A.T.R.) is obliged to provide to the Rio Organising Committee for the Olympic Games (R.O.C.O.G.) on request all names and addresses of ticket purchasers with details of their orders. Accordingly, Pro10 should have been in a position to provide an exact list of every ticket sold and the name of each purchaser.

The Inquiry requested such information from Pro10 and R.O.C.O.G. (See the questionnaires at the Second Appendix, Document One.)

Team Ireland

Team Ireland athletes participated in the following disciplines in Rio de Janeiro:

Athletics	Gymnastics
Badminton	Hockey
Boxing	Modern Pentathlon
Cycling	Rowing
Diving	Sailing
Equestrian	Swimming
Golf	Triathlon

6.2 Allocation of Tickets to O.C.I. by R.O.C.O.G.

Ireland made an initial ticket request for 2,138 General Public Tickets. This request in the R.O.C.O.G. Ticket Portal had an attached narrative which attributed the application to Marcus Evans. David Gilmore of T.H.G. made this application.

The following table summarises this initial request:

	Total Tickets	Category A Tickets	Category B Tickets	Category C Tickets
Athletics	1,300	300	1,000	-
Basketball	120	60	60	-
Closing Ceremony	150	75	75	-
Cycling Track	40	20	20	-
Diving	40	20	20	-
Hockey	20	10	10	-
Opening Ceremony	200	100	100	-
Swimming	108	-	54	54
Tennis	60	-	60	-
Volleyball	20	-	20	-
Beach Volleyball	80	-	40	40
Total	2,138	585	1,459	94

Tickets for Olympic events are categorised into High Demand, Low Demand and Ceremony tickets. Of the 2,138 tickets for which Ireland applied:

1,728 (81%) were high demand,

350 (16%) were ceremony tickets,

60 (3%) were low demand.

Ireland's initial public ticket application did not include a request for tickets for the following disciplines in which Irish athletes were participating:

- Badminton
- Boxing
- Equestrian
- Golf
- Gymnastics
- Modern Pentathlon
- Rowing
- Sailing
- Triathlon

6.3 Allocation of General Public Tickets to O.C.I by R.O.C.O.G.

R.O.C.O.G. made an initial allocation of General Public Tickets to the O.C.I. This was considered by Patrick Hickey, President of the O.C.I., to be a low allocation and he then negotiated with the I.O.C. for further allocation.

At some point there was confusion as to whether the O.C.I. wanted all of the original allocation. This was resolved by Patrick Hickey and by letter dated the 1st October 2015, the I.O.C. wrote to the O.C.I., enclosing what was termed the “*final ticket allocation*”. (See the Sixth Appendix, Document One, for the details of this.)

Martin Burke indicated to the Inquiry that following these negotiations the final ticket allocation (as on the 1st October 2015), amounted to 542 General Public Tickets for the use of the A.T.R. and 938 tickets for the use of the N.O.C. Family.

There were subsequent allocations of General Public Tickets to the A.T.R. which were organised directly between the A.T.R. and R.O.C.O.G. and for which the O.C.I. was not involved.

Throughout the consultations which the Inquiry had with staff members of the O.C.I. it was difficult to ascertain with any certainty the exact position regarding tickets and the exact numbers and costs involved. Various differing spread sheets and lists were provided to the Inquiry. Even as late as the week of the finalisation of this Report, after a number of closing dates had been passed for comments to be made on the draft Report, the Inquiry was furnished with further lists, spreadsheets and explanations by Martin Burke and Linda O'Reilly as to the allocation of tickets.

By means of login details provided by the O.C.I., access was gained by the Inquiry to some of the information on the Ticket Portal as operated by R.O.C.O.G. The final allocation of General Public Tickets as far as this R.O.C.O.G. information is concerned was 1,428 General Public Tickets.

The following table summarises this allocation of General Public Tickets by R.O.C.O.G. through its ticket portal.

Action	Number of Tickets
Waiting List Submitted 30.03.2015 16:11	542 (first allocation)
Waiting List Submitted 07.10.2015 16:22	546
Waiting List Submitted 07.10.2015 16:25	32
Waiting List Submitted 27.11.2015 11:44	160
Waiting List Submitted 08.12.2015 16:03	642
Waiting List Submitted 11.04.2016 12:40	<652>
Automatic ticket booking waiting list corrections	158
Total Ticket Allocation	1,428

Further, this final allocation of tickets can be broken down by sporting discipline as follows:

Discipline	Final Public ticket Allocation
Athletics	563
Badminton	4
Basketball	42
Closing Ceremony	72
Cycling Track	20
Diving	8
Football	95
Gymnastics – Artistic	10
Hockey	428
Modern Pentathlon	4
Opening Ceremony	54
Rugby	24
Swimming	30
Tennis	20
Triathlon	4
Volleyball	4
Beach Volleyball	46
	1,428

6.4 Allocation of N.O.C. Family Tickets to O.C.I. by R.O.C.O.G.

The applications made by each N.O.C. for N.O.C. Family Tickets, which are the tickets for use exclusively by the N.O.C. or by guests of the N.O.C., were also submitted via the on-line Ticket Portal operated by R.O.C.O.G. (These N.O.C. Family Tickets are distinct from the Athletes' Family and Friends Tickets; for the difference see Chapters 4.7 and 4.8).

This initial application for N.O.C. Family tickets was also submitted by David Gilmore of Marcus Evans Group on behalf of the O.C.I. The O.C.I. has indicated that they no longer have access to the Ticket Portal to retrieve information relating to the N.O.C. Family Tickets.

Two documents relating to Ireland N.O.C. Family Tickets which originated from R.O.C.O.G., "*Allocation by Session*" and "*Allocation by Discipline*", detail that Ireland was allocated 938 N.O.C. Family Tickets for Rio2016. (See the Sixth Appendix, Document Two).

Martin Burke confirmed to the Inquiry that the final N.O.C. Family Ticket allocation was 938. In recent comment on the draft Report, on behalf of Martin Burke and Linda O'Reilly, it was indicated that included in this figure of 938 was an additional allocation of 132 tickets from the I.O.C. and the comment was made on their behalf that "*it is not clear from I.O.C. if these tickets were marked N.O.C. Family or Public Tickets, they were unable to clarify with Rio2016 what was actually printed on the tickets.*"

This extra allocation of tickets by the I.O.C. was also referred to by Patrick Hickey, through his solicitor, in comments on the draft Report, in the following way:

“There was a general source of tickets provided to the N.O.C. of Ireland by the I.O.C. due to default of R.O.C.O.G. and embarrassment caused on the non appointment of the A.T.R., prejudice caused to the Irish N.O.C. The tickets aforesaid came from the I.O.C. private source to include all categories and were provided to make up for the earlier prejudice caused.”

6.5 The Collection, Receipt and Transportation of Tickets

The Tickets were collected by Michael Glynn of Pro10 in late May, 2016, from Arkansas, U.S.A.

The Inquiry heard from Martin Burke, its Sports Director, that, of the 938 N.O.C. Family tickets allocated to it, the O.C.I. had *“transferred 178 to the A.T.R..... just by telling them they could take them”*. He indicated that the transfer of these tickets was directed by Patrick Hickey.

Martin Burke stated to the Inquiry that before he, or the O.C.I. took physical possession of the 938 tickets *“we told the A.T.R. that we didn’t require these 178 tickets and that they could, if they had a use for them they could take them”*. The import of the information conveyed by Martin Burke to the Inquiry was that these 178 tickets were tickets surplus to the O.C.I. requirements. Allowing for this reduction of 178 tickets and a further reduction of forty-six Ceremony tickets (see Chapter 6.7), this resulted in a figure of 714 N.O.C. Family Tickets.

Martin Burke stated that eighty-nine of the 714 tickets were distributed by the O.C.I. to some sponsors before the Rio Games and that he brought the remaining 625 tickets with him to Rio de Janeiro. To this end he carried with him a letter from Patrick Hickey, dated the 25th July, 2016, affirming that he,

Martin Burke, the Sports Director of the O.C.I., is travelling to the Games in Rio and that part of his duties is

“bringing our allocation of event tickets to Rio. The tickets are already allocated to our sponsors and guests and will be distributed to them in Rio”

(See the Sixth Appendix, Document Four.)

6.6 The Intermingling of Different Categories of Tickets

As explained in Chapter Four, the ticketing scheme operated by the I.O.C. and R.O.C.O.G. distinguished between N.O.C. Family Tickets and General Public Tickets. The former were for the use of the N.O.C. Family and were not for sale to the general public. The N.O.C. Family was defined in the Ticket Sales Agreement. (See Chapter 4.4.)

Contrary to the letter and spirit of the said ticketing scheme the O.C.I. entered into arrangements with Pro10 to provide N.O.C. Family Tickets to Pro10 for sale to the public. This arrangement in relation to Rio2016 resulted in the transfer of at least 178 N.O.C. Family Tickets to Pro10. (These figures do not include forty-six Opening and Closing Ceremony Tickets which will be addressed separately).

When asked by the Inquiry about this, Martin Burke, (Sports Director of the O.C.I. and the person in this organisation with the knowledge and experience in relation to ticketing), accepted that there was a transfer of 178 tickets to the A.T.R.

When further questioned on the matter Mr. Burke indicated that the 178 tickets given to the A.T.R. were tickets that were not needed by the O.C.I. and were

tickets for sports in which Ireland was not competing. He stated *“we told the A.T.R. that we didn’t require these 178 tickets and that they could, if they had a use for them they could take them.”*

The casualness about these tickets, as implied by Mr. Burke is at odds with the following facts revealed to the Inquiry.

- (a) This transfer of tickets between the O.C.I. and the A.T.R. had been contemplated by the parties well in advance of the Games.
- (b) The transferred N.O.C. Family Tickets included those for high-demand events, (among them sixty-six tickets for Athletics Finals), some of which might have attracted a bonus payment from the A.T.R.

It would appear that this transfer of tickets was something which was considered a long time in advance of the actual receipt of the tickets. For example, in an email sent by David Gilmore to Martin Burke (and copied to Linda O’Reilly) on the 20th January 2016 David Gilmore requests *“can you send me a copy of the Family Order as printed from the portal so that I can see the total allocations. This will assist with the tally as some of the Pro10 tickets are in the family order.”*

Further, on the 4th April 2016 Linda O’Reilly wrote an email to Patrick Hickey in the following terms:

“I can confirm our portion of the tickets 86K (N.O.C. tickets) some of which will be going to Pro10, and Pro10 have also paid there portion (Public tickets) some of which they will give us. The final bill will be settled once the full order is complete as there is also another allocation of tickets due in April. At the moment we have a total of 714 for O.C.I. use”

As can be seen from the chart, (see the Sixth Appendix, Document Three), which was provided by Martin Burke, the N.O.C. Family Tickets given by the O.C.I. to Pro10 included the following tickets:

AT005(inc.100m Final)	12 Tickets out of NOC Family Allocation of 12
AT012(inc.400m Hurdles final)	14 Tickets out of NOC Family Allocation of 14
AT013(inc.200m final)	16 Tickets out of NOC Family Allocation of 16
AT014(inc. 4x100m final)	12 Tickets out of NOC Family Allocation of 12
AT015(inc. no. of finals)	12 Tickets out of NOC Family Allocation of 12

As can be seen these tickets all related to premium or *Blue Riband* events where it was decided that the whole N.O.C. Family allocation for these events would be given to the A.T.R.

The provision of these premium tickets is inconsistent with the explanation that they were tickets not required by the O.C.I. and could be used by the A.T.R. if it, (the A.T.R.), had a use for them.

Linda O'Reilly, who was employed by the O.C.I. as Patrick Hickey's personal assistant and also had a role as Games Coordinator, explained to the Inquiry that she had an understanding and knowledge in relation to matters involving ticketing which included in her own words an understanding that "*N.O.C. Family Tickets were for the N.O.C. family and guests of N.O.C.and that the public tickets were the A.T.R. tickets*".

Martin Burke accepted that the transfer of the 178 N.O.C. Family Tickets was contrary to the ticketing scheme in place for Rio2016.

In the recent comments on the draft Report on behalf of Martin Burke and Linda O'Reilly, it was confirmed that 178 of the N.O.C. Family Tickets "*was agreed*

with O.C.I. and A.T.R. to be used for public demand and the fee would be reconciled after Games end”.

Further in the comments received on behalf of Linda O'Reilly, it is stated “*At all times the O.C.I. did so on the basis of the face value of the tickets being recouped. The practice was not unique to the O.C.I. and indeed our client [Ms. O’Reilly] advised the Inquiry that she understood that it was common practice throughout many National Olympic Committees”.*

[It is noted that comments on the draft Report on behalf of Martin Burke and Linda O'Reilly also make reference to a further and later offer by the O.C.I. of 179 unwanted N.O.C. Family Tickets to the A.T.R., which was refused by the A.T.R.]

6.7 The O.C.I. Tickets for the Opening and Closing Ceremonies

Martin Burke, the Sports Director of the O.C.I., informed the Inquiry that the thirty tickets for the Opening Ceremony and the sixteen for the Closing Ceremony which were included in the N.O.C. Family Ticket allocation of 938 were never given to him when he collected the other tickets from David Gilmore.

He stated that the President, (Patrick Hickey), dealt with the Ceremony Tickets and that he never even saw them. Martin Burke stated that he did not know what happened to these tickets other than two of them ended up with Kevin Mallon when the latter was arrested.

Linda O’Reilly confirmed as far as she was aware the forty-six N.O.C. Family Tickets for the Opening and Closing Ceremonies were kept by the A.T.R. She

agreed that Patrick Hickey was in charge of what happened to those ceremony tickets.

6.8 Terms of the Agreement with Pro10

The agreement signed by Patrick Hickey and Pro10, dated the 22nd June 2015 specifies that the US\$ 100,000 rights fee is subject to Pro10 receiving from the O.C.I., *inter alia*, the following:

- 14 Closing Ceremony Tickets from the N.O.C. Family Order
- 28 Opening Ceremony Tickets from the N.O.C. Family Order
- 12 Tickets from AT005 (inc. 100m Final)
- 4 Tickets from AT014 (inc. 4x100m Final)
- 4 Tickets from AT015 (inc. no. of finals)

Accordingly, contrary to the Rio2016 ticketing scheme, the Pro10 agreement with Patrick Hickey specifies that the O.C.I. provide to the A.T.R. N.O.C. Family tickets for the Opening and Closing Ceremonies.

Martin Burke's explanation to the Inquiry that the transfer in 2016 of the 178 N.O.C. Family Tickets to Pro10 was due to those tickets being surplus to the requirements of the O.C.I. does not take into account the existence of the aforesaid agreement that Patrick Hickey had signed with Pro10 in June 2015 which was actually to provide Pro10 with certain N.O.C. Family Tickets.

6.9 The Unused Tickets in the O.C.I. Safe

The Inquiry was informed by members of the O.C.I. staff that a number of tickets were kept in the safe at the O.C.I. office in the Olympic Village throughout the Games and that, as of the 20th of August 2016, there was a total of 223 unused tickets. The Inquiry was provided with a list of same. (See the Sixth Appendix, Document Five.)

As can be seen from the list, while the majority of the tickets were indicated to be N.O.C. Family Tickets, fifty-two of them were indicated to be A.T.R. General Public tickets.

When asked to account for the fact that the tickets in the O.C.I. safe included A.T.R. General Public Tickets, Stephen Martin, (Chief Executive Officer of the O.C.I.), told the Inquiry that the only tickets in the safe should have been N.O.C. Family Tickets. He also stated that he was not aware of how A.T.R. General Public Tickets could have ended up in the safe.

When Martin Burke was asked to explain why the list of tickets seized from the O.C.I. safe also contained A.T.R. General Public Tickets, he suggested to the Inquiry that he hadn't checked the tickets when he collected them from David Gilmore other than to count them. It appears that Martin Burke was suggesting that the fact that the tickets he collected from Mr Gilmore might also contain A.T.R. General Public Tickets was a mistake not noticed at the time.

Martin Burke stated that this mixing of the tickets occurred at the T.H.G. offices when he collected the tickets.

Martin Burke was asked by the Inquiry whether he knew, at the time he collected the tickets, that he had got a mixture of N.O.C. Family Tickets and A.T.R. General Public Tickets, to which he stated "*No*", and that he did not discover this until the end of the Rio games.

Linda O'Reilly, Patrick Hickey's Personal Assistant and the Games Coordinator, also spoke to the Inquiry of the 178 N.O.C. Family Tickets which had been transferred. The Inquiry asked her could she explain how Public Tickets ended up mixed in the unused tickets in the O.C.I. safe in Rio. Ms O'Reilly said she could not explain it. When asked whether the tickets had been checked when they were originally collected from David Gilmore by Martin Burke, she stated that they were counted but she didn't check them individually to see if each ticket was marked "*N.O.C. of Ireland*".

When further asked about tickets Ms O'Reilly did indicate that there would be discussions with David Gilmore as to the requirements of the A.T.R. for further tickets. When asked expressly about the giving of N.O.C. Family tickets to the A.T.R. for sale to the public being contrary to the ticketing scheme devised by R.O.C.O.G., Ms O'Reilly replied that this happens and happens with all N.O.C.s and that "*they swap and change tickets as they go along depending on demand*". Moreover she said it was her understanding from various meetings that before the O.C.I. actually had the tickets they swapped and changed with the A.T.R. as to what they needed and what the O.C.I. needed. She agreed that this should not have happened and made a nonsense of distinguishing between N.O.C. Family Tickets and A.T.R. General Public tickets.

6.10 The Tickets found in the Possession of Kevin Mallon

The Inquiry cannot ascertain the exact number of tickets in Kevin Mallon's possession at the time of his arrest.

When asked about the tickets seized from Kevin Mallon, Linda O'Reilly informed the Inquiry that Patrick Hickey's lawyer in Brazil had sent a photocopy of twenty-three tickets which Kevin Mallon had in his possession, twenty-two of which belonged to the O.C.I.

The Inquiry was subsequently furnished a photocopy of these tickets. (See the Sixth Appendix, Document Six.)

This photocopy comprises copies of the front of twenty-three tickets for the Opening Ceremony as follows:

- 20 Ireland General Public Tickets
- 2 N.O.C. of Ireland Tickets
- 1 Guatemalan General Public Ticket

Stephen Martin indicated to the Inquiry that if it was the case that Kevin Mallon was merely assisting Pro10 in the collection of tickets, (a defence claimed at one point by Pro10), all such tickets should have been A.T.R. General Public Tickets. In the words of Stephen Martin, the A.T.R. *“should have the A.T.R. Public Tickets and the N.O.C. tickets are for ourselves and the two shouldn't be mixed”*

6.11 Payments for the Tickets

R.O.C.O.G. issued an invoice to the O.C.I. for the N.O.C. Family Tickets on the 1st March 2016 for R\$ 227,960.00 equating with a US\$ 97,004.26 on the basis of exchange rates applied by R.O.C.O.G.

On the 29th March, the O.C.I. made a bank transfer of €6,765.15 from the O.C.I.'s AIB Account to Pro10.

R.O.C.O.G. issued an invoice to the O.C.I. for the A.T.R. General Public Tickets on the 1st March 2016 for R\$ 1,013,890 equating with US\$431,442.55 on the basis of exchange rates applied by R.O.C.O.G.

The Inquiry understands that in April 2016, Pro10 paid R.O.C.O.G. US\$528,446.81 to cover both the N.O.C. Family Ticket invoice and the General Public Ticket invoice.

6.12 Absence of Ticket Reconciliation

As a result of the transfer of at least 178 N.O.C. Family Tickets to Pro10, an estimated sum of R\$30,000 would have been owing to the O.C.I.

If one was to include the cost of the 46 ceremony tickets, an additional R\$65,800 would be due to the O.C.I.

It is clear that subsequent to the Rio Games there was a requirement that a ticket reconciliation statement be produced. The Inquiry sought sight of such a statement and surrounding documentation but it was not provided by the O.C.I.

Further, one would expect that such a reconciliation statement should also take into account premiums, in excess of the rights fee, due to the O.C.I. for additional Ceremony Tickets provided in accordance with the terms of the

agreement with Pro10. The value of premiums falling due to the O.C.I. from the provision of additional ceremony tickets is estimated at US\$ 100,000.

William O'Brien, First Vice-President of the O.C.I., told the Inquiry, that there had been no reconciliation with Pro10 *“because of the court cases that were going on and we don't have any contact, I didn't have any contact with Pro10 from the time I got back from Rio”*.

Finally, it would appear that Pro10 never paid the remaining US\$ 50,000 of the rights fee due on foot of the contract with the O.C.I.

London:

Similarly, such a reconciliation process should have been carried out between T.H.G and the O.C.I. after the London Games. The Inquiry requested details from the O.C.I. staff of such reconciliation and surrounding documentation, however none was provided.

When asked about the reconciliation between the O.C.I. and T.H.G. for London2012 William O'Brien, the First Vice-President, Martin Burke, the Sports Director and Linda O'Reilly, Personal Assistant to the President, all initially informed the Inquiry's accountants that the payment of US\$ 60,000 received from T.H.G. International - Barbados on the 16th August 2012, (as discussed at Chapter 5.4) was a reconciliation paid by T.H.G. for the London Games.

This is the payment described in a Finance Report to the O.C.I. Executive Meeting of the 24th October 2012, as income of €48,256.20 (US\$ 60,000) and described as *“T.H.G. ticket refund”* and separately as *“Ticket sales bonus.”*

However, when asked, both Martin Burke and Linda O'Reilly were unable to provide a reconciliation statement or other supporting documentation and when they were shown the terms of the agreement dated the 27th March 2012, (see the Fifth Appendix, Document Two), between the O.C.I. and T.H.G. which related to Rio they agreed with the Inquiry's accountants that this credit of US\$60,000 probably related to the down payment payable on that agreement.

When asked about this payment William O'Brien in consultation informed the Inquiry *"that's what I would assume that payment is, the reconciliation of the tickets after the Games The US\$ 60,000 from Barbados would be a reconciliation after the Games for the tickets. So in other words the N.O.C. Family Tickets, whatever tickets that were passed back over to T.H.G. at the time, the reconciliation for them"*. When asked about the reconciliation working out at exactly US\$ 60,000, Mr. O'Brien indicated that he had *"no idea how that was made up. That would have been dealt with through the office or through Pat"*. Mr. O'Brien indicated in his consultation with the Inquiry that his understanding was that the payment related to the reconciliation but he had no proof of that or background information. When put to him Mr. O'Brien agreed that it was possible that it was the down payment pursuant to the 2012 agreement between T.H.G. and Patrick Hickey. In comment on the draft Report Mr. O'Brien clarified that he had been told by the Honorary Treasurer at the time that the US\$60,000 was a reconciliation paid by T.H.G. for London.

When asked by the Inquiry where are the documents relating to the reconciliation, William O'Brien replied *"I have no idea. They should be in the office"*.

William O'Brien stated that he didn't know anything at the relevant times about the agreements with T.H.G. and Pro10, and that he had never read the

agreements. He was asked by the Inquiry whether the reconciliation would include bonus payments pursuant to the agreement, and replied:-

“No, I don’t understand myself. That would be part of the reconciliation, yeah. Again that would be down to Pat because he’s the one that’s familiar with setting those terms up. I wouldn’t be familiar with that.”

In the T.H.G. Pre-Allocation Business Plan for PyeongChang provided to the Inquiry there is reference to the O.C.I allocation of tickets for London as 9,287 Tickets. In the circumstances of such large numbers of tickets and the potential for large number of transfers of N.O.C. Family Tickets to T.H.G., the absence of the reconciliation statement and documents for London is concerning. Such concern is further enhanced if as it appears the aforesaid payment of US\$60,000 was the down payment for the Rio Games rather than reconciliation for London, as it would appear that there is no other payment by way of reconciliation in the accounts of the O.C.I.

Chapter Seven

Complaints Relating to Tickets

7.1 Complaints from the Public

The Inquiry invited submissions from members of the public concerning their experience in applying for tickets at the Olympic Games in Rio de Janeiro in 2016. This invitation was posted on the website of the Department of Transport, Tourism and Sport on the 11th November 2016, notice of the contents of which appeared on-line with the Irish Independent, the Irish Times, R.T.E., thejournal.ie and also in the following newspapers, the Irish Times, the Irish Examiner, and the Irish Daily Mail. The invitation was also broadcast on a number of local radio stations.

As a result of this invitation written submissions were received from twenty-three members of the public.

Further, there was a written submission from a person who described himself/herself as an Olympian, but who chose to remain anonymous.

The Inquiry met twelve of these correspondents, inviting them to develop their written submissions in an oral consultation.

7.2 Comments from Other Persons

In addition, the Inquiry met other persons connected with Irish sporting bodies and with the Olympic Council of Ireland, (O.C.I.), who were consulted about the public's complaints as to tickets.

From the sporting bodies, these persons were

- Brian Caruth, Chair of Hockey Ireland,
- Avalon Everett, Senior Sport Administrator of Horse Sport Ireland (subsequent to a written submission from Mr. James Kennedy, Chief Executive thereof),
- Pat Finn, Chief Executive Officer of the Golfing Union of Ireland.
- Ciaran Gallagher, Board Member of the Federation of Irish Sport
- James Galvin, Chief Executive Officer of the Federation of Irish Sport,
- Sarah Keane, Chief Executive Officer of Swim Ireland,
- Harry Hermon, Board Member of the Federation of Irish Sport,
- Ciaran McKenna, President of Cycling Ireland, and
- Niamh O'Sullivan, Performance Manager with Swim Ireland.

From persons connected with the O.C.I., these persons, while speaking primarily on other matters, also raised issues about the public's complaints as to tickets:

- Dermot Henihan, Honorary General Secretary of the O.C.I.,
- Sarah Keane, member of the Executive Committee and subsequently elected President of the O.C.I.,
- Billy Kennedy, Honorary Treasurer of the Olympic Council of Ireland, (appointed on the 2nd November 2016),

- Kevin Kilty, Honorary Treasurer of the O.C.I. (retired on the 10th October 2016),
- Ciaran Ó Catháin, member of the Executive Committee of the O.C.I. (retired on the 2nd November 2016),
- Stephen Martin, Chief Executive Officer of the Olympic Council of Ireland,
- Martin Burke, Sports Director with the Olympic Council of Ireland, and
- Ms. Linda O'Reilly, Personal Assistant to Patrick Hickey, the President of the O.C.I.

As indicated before, unless stated to the contrary, references to offices and positions held by persons are those as on the opening day of the Olympic Games in Rio de Janeiro, that is on the 5th August 2016.

7.3 The Main Complaints

Inevitably, given that some of those most actively involved in the provision and sale of tickets have not participated in the Inquiry, what follows is a history of complaints, rather than an adjudication of the matters in issue.

In the main, these complaints fall into three categories:

- The inability to secure tickets in Ireland in advance of the Olympic Games at Rio de Janeiro.
- The dearth of information from the O.C.I. and its Authorised Ticket Reseller (A.T.R.) Pro10 and also the absence of transparency.

- The apparent failure of the O.C.I. to acknowledge spectators as legitimate stakeholders in the Olympic Games or to take their reasonable expectations into account.

7.3.1 Complaints about Securing Tickets in Ireland

Once they were in Rio de Janeiro, Irish persons do not seem to have had any difficulty in acquiring tickets for events.

The members of the public who contributed to the Inquiry spoke of their inability to obtain tickets in Ireland in advance of the Olympic Games in Rio de Janeiro. These complaints revolved around their frustrations and the impossibility of acquiring such tickets for events in which they were interested.

For many this inability to acquire tickets in advance was a cause of serious disquiet. Furthermore, the lack of certainty in knowing one could acquire tickets to selected events was a fundamental impediment to many persons in deciding to make an important investment in time and money, travelling a significant distance to South America for the occasion.

The Poor Performance of Pro10 as the Ticket Seller

A persistent complaint from contributors was the absence of any adequate communication with Pro10, the official A.T.R., the bad quality of delivery by them and, in many instances, the absence of any service at all. This issue of the poor performance of Pro10 is dealt with in more detail at Chapter Eight.

The Acquisition of Tickets from Sources outside Ireland

The poor performance of Pro10 and the inability of many to secure tickets in Ireland obliged some contributors to try to buy tickets abroad, including in other E.U. countries.

By reason of E.U. law an A.T.R. is not allowed to discriminate between citizens of different members states. It appears that such A.T.R.s were not allowed to promote sales to other E.U. countries under the Ticket Sales Agreements. On the other hand, they were mandated under E.U. law not to refuse requests for sales to the residents of other member states. In other words, as was said to the Inquiry, these A.T.R.s engaged in passive, but not active, sales to persons of other member states. (See Chapter Four for more details on this matter.)

Accordingly when it appeared that there were insufficient tickets in Ireland to meet demand, this said passive selling by other European A.T.R.s came to be seen as a safety valve to relieve the shortage of tickets available in Ireland.

Indeed some applicants for tickets were encouraged by the O.C.I. to apply for them in other E.U. countries.

An example appears in an e-mail of the 27th October 2015 sent to [REDACTED] by Ms. Linda O'Reilly, Personal Assistant to Patrick Hickey, President of the Olympic Council of Ireland, (O.C.I.), advising that [REDACTED] could approach the website of another E.U. country. When shown this email Linda O'Reilly said "*That would appear to be from me, but I don't recall*"

The acquisition of tickets from sources outside Ireland involved additional trouble and effort. In addition such tickets were more expensive, such increases resulting at least from additional administrative and exchange rate costs.

Demand for Tickets to the Opening and Closing Ceremonies

A number of contributors to the Inquiry complained of seeking and failing to secure from Pro10 tickets to the Opening and Closing Ceremonies. This reflected a demand unlikely to be met from the allocation of N.O.C. Family Tickets, given that all forty-six of the same were handed over to Patrick Hickey with no information forthcoming as to their final destination. In so far as the A.T.R. had public tickets, the same do not appear to have been available for those persons who complained to the Inquiry that they could not get any.

Other Complaints Ancillary to the Shortage of Tickets

➤ The Athletes' Friends and Family Scheme

By means of the Athletes' Friends and Family Scheme there was to be a refund of two tickets sold to the friends and relatives of an athlete participating in the event. However, it was in respect of tickets bought in Rio at the event and was of no benefit to parties seeking to secure tickets in advance in Ireland. See Chapter Four for more details on this matter.

➤ Empty Seats

Surprise, and in some cases resentment, were expressed by a number of contributors at the empty seats at events for which they could not acquire tickets when applying for them to Pro10. While it is clear that a stadium may be left without full capacity for a number of reasons unconnected with ticketing problems in Ireland, the sight of such empty seats appears to have added to the frustration of complainants. Comment, in particular, was made that at the Closing Ceremony one of the stands was practically empty.

➤ The Late Appointment of Pro10 as the A.T.R.

The Inquiry heard complaints of the late appointment of Pro10 as the A.T.R. for Ireland. This appointment was not effected until the approval thereof by the Rio Organising Committee for the Olympic Games, (R.O.C.O.G.), which was notified to the O.C.I. by e-mail on the 27th November 2015. Notice of the appointment was posted on the O.C.I.'s website on the 1st December 2015, before which date there was no medium through which the Irish public could buy tickets. This was in or about six months after most other European countries had appointed and

allowed access by their public to an A.T.R. This delay, with no adequate explanation of the reason for it, caused considerable disquiet and anxiety to some of the contributors. (See Chapter Eight below for more details on this matter.)

See Chapter 4.12 for the intended timetable for the appointment of an A.T.R. for Rio2016 and Chapter 5.9 for the process of appointment.

7.3.2 Lack of Information and Transparency in Ticket Sales

This is the second of the main complaints made by contributors to the Inquiry.

Apart from the scarcity of tickets in Ireland, there was general dissatisfaction with the information conveyed to prospective purchasers of tickets by the O.C.I. and Pro10. This dissatisfaction related to the acquisition of tickets in Ireland in advance of the Games and was expressed by some as there being generally a lack of information from the O.C.I. on ticketing.

The disquiet is well summarised by the account given to the Inquiry by Mr. Harry Hermon, a representative of the Federation of Irish Sport. When asked was he aware of any scheme for athletes to get tickets for their family or friends, he replied “No”, and continued:

“That is where we would have a difficulty with the system, because we don’t really understand the system by which tickets are allocated either to the Olympic Council and from there to the Sports Federations themselves or the families of the athletes. So that whole process was very unclear to us.

“The transparency is what we probably would have most difficulty with. Just the system wasn’t known to us as to how we could access or how they were allocated or how many were available or any of that. There was no explanation of that.

“[Tickets in Rio] were issued on a daily basis and the feedback from the Performance Director is that they were available on occasion.... they went to apply for them on a daily basis on a first come, first served basis. But, again, the system wasn’t clear as to how they were allocated or who they were allocated to, or how many they could get, or what the process was other than to ask for them on a daily basis.”

The frustration of applicants for tickets was intensified by the feeling that, apart from O.C.I. and Pro10, there was no other body in Ireland to provide relevant information.

There were complaints too about the absence of transparency in the issue of accreditations. Mr. Hermon, told the Inquiry:

“A little like ticketing, we weren’t sure what the process was. There didn’t seem to be a defined process as to how many accreditations are awarded to the O.C.I. based on the number of athletes that qualify and from there how many are given to each sports and what basis they are allocated. It is a kind of mystery to us and certainly presented challenges to our performance. Accreditations definitely are a performance issue, unlike the ticketing. It is nice to have [ticketing] but accreditations have an impact on performance, where we had the biggest difficulty in our relationship with the O.C.I.”

Complaints of the Dearth of Information on Specific Matters

In addition there were complaints by contributors being unaware of certain specific matters.

➤ **The Athletes' Friends and Family Scheme.**

This was a scheme whereby an athlete was given a refund by the O.C.I. for two tickets bought by the friends or relatives to an event in which he or she participated. Contributors complained of being unaware of this, or, if aware, being made so very late and after other arrangements had been made.

➤ **Tickets available on the R.O.C.O.G. website**

Tickets to events became available on the R.O.C.O.G. website after the 1st July 2016, but this does not appear to have been well advertised and many did not know about it.

➤ **The O.C.I. Presentation at Abbotstown**

There was a presentation as to tickets organised by the O.C.I. for the Sports Federations at the Sports Centre Abbotstown some time before the Games, but, when asked, none of the contributors from those organisations knew about it. Ciaran Gallagher said he had never heard of this, although as Gymnastics Ireland, (of which he is the Chief Executive), is based there, he would assume he should have been aware of something like that.

➤ **Inadequate Information from Pro10**

There was an absence of adequate information as to tickets on the Pro 10 website and in particular about what tickets Pro10 had for sale or how to buy them. None of the contributors was aware of the holding of the ticket ballot by Pro10,

(For further details of this matter, see Chapter Eight).

Regardless of the rights and wrongs of these perceptions, what is important is that these are views of important stakeholders, the athletes and their federations, that they reflect badly on the reputation of the O.C.I. and that they were not addressed and, if incorrect, they were never corrected by the O.C.I.

The Answer from the O.C.I. on the Lack of Information to Athletes about Tickets

Dermot Henihan, Secretary General of the O.C.I. refuted the allegation that the O.C.I. had been insufficiently informative:

“There were conferences, there were seminars, there was whatsApp, it was on our website, there is a private place where the athletes can go. To the best of my knowledge Stephen Martin, our C.E.O., also produced a leaflet on it. They were all aware of it. In my position I had to go to some sports to give them briefings and at any of those briefings, the athletes would have been sitting in the room and they would have been told. If anybody was not aware it was because sometimes people don’t listen. You have got to remember when you’re doing this you’re at a time when the athletes are just simply focused on their competition and they don’t really [listen]. You could send out all the information in the world and if people don’t read it.”

7.3.3 Indifference of O.C.I. to Spectators as Stakeholders

The indifference of the O.C.I. to spectators as a class was the third category of complaint made by contributors.

Some contributors to the Inquiry expressed the view that the O.C.I. did not seem to recognise the supporter as a stakeholder in the Olympic Games, which was why something like the chaos of the ticket selling in 2016 was able to happen. Some of these contributors felt that decisions are made and events happen without apparent consideration of the supporters or athletes.

It was submitted to the Inquiry that it is easy to ignore the spectators or athletes because the Olympic Games occur only every four years and each time, for the most part, with different athletes and supporters. These are disparate people thrown together, unlikely to have met before and unlikely to meet again. They are not like members of a supporters' club for a particular sport who may be in continuous contact and thus be in a position to exercise some pressure to protect their interests. Supporters of the Olympic Games do not have the opportunity to bind together to form a cohesive pressure group.

The O.C.I. would be held more to account on the issue of ticketing if communication among supporters were organised, for example by having regular supporters' meetings, well advertised, to take place at convenient venues at regular intervals, starting, say six months in advance of the Olympic Games.

In a comment on the draft Report Stephen Martin, the Chief Executive Officer, submitted that the O.C.I. did take account of the interests of the supporters and

athletes in that the O.C.I. guaranteed and paid for two tickets per event for athletes' families and friends. (See Chapter 4.8 for consideration of this.)

The complaint about the dearth of information extended beyond the issue of tickets. Contributors were of the view that information pertinent to Irish supporters could have been helpful and was absent in Rio. This referred to information as to where spectators and supporters might stay, where other friends and relatives of athletes were congregating and general information to help a collegiate bond develop among Irish supporters.

The tickets to the Opening and Closing Ceremonies were the prerogative of the President of the O.C.I. There does not appear to be evidence that any consideration was given to the possibility of offering tickets for these Ceremonies to ordinary members of the Irish public. (See Chapter Six for further details on this.)

As said by Martin Burke, the Sports Director with the O.C.I. :

“The Ceremony Tickets were the domain of the President. He decided where each went. He was less concerned about general tickets but he still would have, if he required, some for a sponsor or an associate; he would have taken those, earmarked them for that person”.

7.4 Awareness by O.C.I. of Public Complaints

The O.C.I. was well aware of these complaints about acquiring tickets.

Linda O'Reilly, Personal Assistant to the President, agreed that there were a lot of complaints by the public.

Martin Burke, Sports Director of the O.C.I., said:

“I was aware of [complaints about Pro10]. I had two friends ring up and look for tickets and I asked them to let me know how they got on and they were very disappointed with the service.”

Stephen Martin, the Chief Executive Officer of the O.C.I., was asked about the arrangement whereby an A.T.R. would give sizeable sums of money to the N.O.C. for the tickets rights, despite only been permitted by the Organising Committee to make a maximum mark-up of 20% on the price of a ticket. He expressed a view that permeated throughout the O.C.I.:

“You need to ask the ticket agency that. What we see is the figure that we are getting an income and which is substantial and it helps to run our business... From our perspective we see the income that we receive helps us, hits one of our objectives which is to maximise the commercial income available.”

Chapter Eight

The Performance of Pro10

8.1 Complaints about the Performance of Pro10

As set out at Chapter Five, Pro10 is a business name used by Kmepro Ltd. and was approved as the Authorised Ticket Reseller (A.T.R.) for Ireland by the Rio Organising Committee for the Olympic Games (R.O.C.O.G.) on the 27th November 2015.

As set out at Chapter Seven, there was disquiet from members of the public about the difficulties in acquiring tickets for events at the Rio Olympic Games. While the complaints from these contributors are not identical, a common theme was the dysfunction in the service which Pro10 provided.

The following are instances of such complaints.

8.2 Absence of Adequate Communication with Pro10

Contact by Telephone

Most of the complainants speak of the difficulty in making contact with Pro10, of numerous attempts to telephone its office, of the telephone almost never being answered, of voice messages being left but no

response forthcoming until ultimately the voice recording gave notice that the mailbox was full.

Contact by Email

The complaints about emails are similar. Complainants sent e-mails and, because of no answer, sent reminders. Then there was no reply to the reminders. Sometimes there was a response but the general thrust was that communications to Pro10 by email were routinely ignored.

Contact at the Office of Pro10

Some members of the public calling to the advertised office of Pro10 at Lucan were told that the business of tickets was being administered from offices in the Irish Financial Services Centre in Dublin.

The Pro10 Website

The information provided about how to contact Pro10 was sparse. The website was basic. The whole service provided was sub-standard. Credit card details were required in writing, an amateurish practice in the context of security.

The Inability to Supply Adequate Information or Tickets as Required

Information provided was often confusing and inaccurate. On one occasion, a person giving information on behalf of Pro10 did not know

that a hockey team from Ireland was participating, displaying thereby a level of ignorance of the service being provided.

Most of the contributors were unable to obtain tickets from Pro10 and when offered tickets, it was to events other than those for which they had asked or in which they were interested.

8.3 Ticket Ballots held by Pro10

Some applicants for tickets were deflected, being told by Pro10 that there had to be a ticket ballot.

Two contributors related having been told that, because the ticket applications were oversubscribed, there was to be a ticketing ballot.

In one instance the applicant was told that the deadline for the ticketing ballot had passed, that the applicant's name would be put on a waiting list and that she would be contacted if there was availability.

In another instance the applicant was told that the first allocation had issued and there was going to be a lottery for the remaining tickets as the same were oversubscribed.

Other contributors complained that they had never been informed that a ticket ballot or lottery was to take place.

These many references to a lottery, or ballot, for tickets were mentioned by persons unsuccessful in acquiring tickets. There is no reference to it elsewhere, either by successful applicants, in the documents received from the O.C.I. or

from any official or other source and, in the absence of any answer from Pro10, the question remains was there such a lottery or ballot at all.

8.4 Pro10 Unfit for its Purpose

The performance of Pro10 was discussed among members of the O.C.I. staff. Martin Burke, the Sports Director of the O.C.I. indicated to the Inquiry that as soon as

“Pro 10 set up their website and opened to the public we started getting complaints straight away and I contacted Pro 10. I didn’t get a response and then contacted David Gilmore and asked him if he could find out, get a response for me and after that I just made all my contacts through David Gilmore because it was the only way to get any response from Pro10.”

Stephen Martin, the Chief Executive Officer of the O.C.I. agreed that it would be fair to say that Pro10 did not appear to give much of a service to the public. He agreed that the problems with Pro10 became readily apparent quite early on after their appointment and that even the O.C.I. staff had problems contacting them. He agreed that there was no reality of them being up to the job of an A.T.R.

Linda O’Reilly, the Personal Assistant to the President of the O.C.I., also agreed that the service for the public provided by Pro10 left a lot to be desired and she was also aware that there were a lot of complaints.

The Inquiry heard negative criticism about the business performance of Pro10 and in the absence of hearing any submissions giving a contrary picture, that impression may be unbalanced. Nonetheless, relying on the information which is available, there is nothing to suggest other than Pro10 was run in an ineffectual and chaotic manner and was unsuited for its purpose as a ticket seller at a major international sporting event.

8.5 Suitability of Pro10 to be Appointed an A.T.R.

Following from this is the question as to why and how Pro10 was appointed by the O.C.I. to be the A.T.R. for Ireland. From the documentation considered by the Inquiry, referred to at Chapter Five, there is no evidence of any transparent selection or tendering process leading to the appointment of Pro10. Furthermore, none of the members of the Executive Committee who contributed orally to the Inquiry was consulted about, or in some cases, aware of its appointment.

Again, as noted at Chapter Five, from what is known independently about Pro10, it is difficult to understand its claim that, as an entity in itself, it had “many years” of experience, given that, on the date of its contract with the O.C.I., Kmepro Ltd. had only recently been incorporated and Pro10 as a business name had only recently been registered.

Incorporation of Kmepro Ltd.	28th April 2015
Registration of the business name of Pro10	20th May 2015
Contract between O.C.I. and Pro10	22nd June 2015

In the light of the foregoing, it is not surprising that there were difficulties with its subsequent performance as the A.T.R.

8.6 Pro10 and the Continuing Role of T.H.G.

The unsatisfactory nature of the appointment and the inadequate performance of Pro10 have to be seen in the context of the relationship between Patrick Hickey of the O.C.I. and Marcus Evans of T.H.G. and the emails passing between them up to the 17th August 2016, the date on which Patrick Hickey was arrested by the Brazilian police. This issue of the relationship between Patrick Hickey and Marcus Evans, as revealed in their mutual emails, is also discussed at Chapters Five and Nine.

In addition, there is the apparent attempt by Patrick Hickey to conceal his relationship with Marcus Evans, the Marcus Evans Group or T.H.G. in his denial in the television interview broadcast on R.T.E. on the 11th August 2016. This was a denial of any contact between the O.C.I. and T.H.G. since the Sochi Olympic Games in February 2014. This issue is considered in detail in Chapter Nine.

Many of the contributors to the Inquiry, including Martin Burke and Linda O'Reilly agreed with the proposition that Pro 10 was a means for T.H.G. to maintain its relationship with the O.C.I. (See Chapter 5.10)

Taking all of these matters into account, namely, the dysfunction of Pro10, the manner of its appointment, the matters discussed in the said emails passing between Patrick Hickey and Marcus Evans and the denial by Patrick Hickey of any contact between the O.C.I. and T.H.G. at the relevant time, it might appear that the appointment of Pro10 was to disguise the continuing involvement of Marcus Evans and T.H.G. in the sale of tickets in Ireland for the Rio Olympic Games, notwithstanding the rejection of T.H.G. by R.O.C.O.G.

Many of the contributors to the Inquiry, including Martin Burke and Linda O'Reilly agreed with the proposition that Pro10 was a means for T.H.G. to maintain its relationship with the O.C.I. (See Chapter 5.10)

Chapter Nine

The Continuing Relationship between O.C.I. and T.H.G.

9.1 Television Interview of Patrick Hickey

Patrick Hickey, the President of the O.C.I., on the 11th August 2016, during a television interview broadcast on R.T.E. stated that he had no understanding or knowledge of how T.H.G. had become involved in the ticketing issues in Rio de Janeiro, that the O.C.I. had severed its links with T.H.G. after the Sochi Games, (which had taken place in February 2014), and that he did not know anything about Kevin Mallon until the latter's arrest.

These matters were stated by Mr. Hickey in the television interview in answer to questions put to him by the journalist Philip Bromwell. The text of this part of the interview is as follows:

“Bromwell: Do you have any understanding or knowledge of how the O.C.I.’s former A.T.R., T.H.G., became involved in this?”

Hickey: None whatsoever.

Bromwell: And the O.C.I. no longer has any association with T.H.G. at all?

Hickey: No. The A.T.R. for Ireland, for the Rio2016 Games is Pro10 Management.

Bromwell: All the same, a couple of days in this, as this story was developing the O.C.I. took , perhaps the unusual step of issuing a statement in which you sought to clarify that there

was no association between your son and T.H.G. Why did the O.C.I. do that?

Hickey: Because that was raised again. Philip, if you remember, this is all old history. Before I went to London it was clear that my son was working as the Hospitality Manager in the Irish House and in fact I was interviewed on Prime Time. So that is a matter of public record and several of the media raised it again. Was he still involved with T.H.G.? So, we had to clarify that he wasn't and he isn't and hasn't been since after London and you'll see there's an apology in the Irish Times to-day to that effect.

Bromwell: When did the O.C.I. sever its links with T.H.G.?

Hickey: After the Sochi Games.

Bromwell: There is an Irish business man who is in jail at the moment in Brazil, do you know, or have you ever met Kevin Mallon?

Hickey: I have never met Kevin Mallon. I don't know anything about him and in fact when I heard the reports first like this, like I told you, everyone else, I thought he was based in U.K. and then I subsequently read in the media that he is based in the Dublin office but I have never met him and to my knowledge none of the staff of the O.C.I. have ever met him."

(The full transcript of this television interview is set out at the Seventh Appendix)

The video of this interview is available on the following link:

<http://www.rte.ie/sport/olympics/2016/0811/808612-video-full-pat-hickey-interview-with-rte/>

Chapter Five has already set out in some detail the contact between Patrick Hickey and Marcus Evans from the 9th July 2009 up to the appointment of Pro10 as the A.T.R. The last email referred to at Chapter Five between the two, was dated the 26th November 2015. This related to approving the contents of information regarding Pro10 which was to be placed on the O.C.I. website.

The subsequent contact between Patrick Hickey and the O.C.I. staff, on the one part, and Marcus Evans and other T.H.G. persons such as David Gilmore on the other, continued after the appointment of Pro10 as A.T.R. and is outlined in this Chapter.

The account given by Patrick Hickey to R.T.E. appears difficult to reconcile with the material outlined in Chapter Five and in this Chapter. The material in this chapter shows the continuing relationship between Patrick Hickey (and the O.C.I.) and Marcus Evans (and T.H.G.), well after the Sochi Games and right up to the 17th August 2016, the date on which Mr. Hickey was arrested by the Brazilian police.

9.2 Continuing Contact Relating to Complaints about Pro10

As can be seen in Chapters Seven and Eight, friends and relatives of athletes, as well as members of the public, began to complain about the poor performance of Pro10 very shortly after its appointment. These complaints are the subject of emails between the O.C.I. staff and Patrick Hickey on the one part, and Marcus Evans and David Gilmore of T.H.G. on the other. This correspondence was with David Gilmore, as opposed to any member of the staff of Pro10. David Gilmore of T.H.G., not Pro10, became the effective point of contact for the staff of the O.C.I. when dealing with complaints.

Indeed, it is noted in an email on the 4th December 2015 sent to Patrick Hickey by Martin Burke, Sports Director of the O.C.I. that “*it appears David [Gilmore] is going to be working closely with Pro10*”.

As early as the 12th January 2016 Martin Burke sent an email to David Gilmore, copied to Linda O'Reilly, (Personal Assistant to the President of the O.C.I.), saying that “*there have been a few calls lately regarding Pro10 not responding to enquiries (people only getting voice mail recordings when they call). Can you have a word with the lads?*”

An email sent by Martin Burke to David Gilmore on the 19th January 2016 shows that Stephen Martin, the Chief Executive Officer of the O.C.I., attended a meeting that day with one of the O.C.I.'s main sponsors who queried why they were getting no response from Pro10 regarding enquiries they had relating to tickets.

On the 19th January 2016 an email was sent from a member of the public to Pro10's email address wherein he complained about the service that Pro10 was offering and in particular that the website did not allow for online purchase, online pricing or online allotment of tickets. This email correspondence was then sent on the 26th January 2016 by Pro10 to David Gilmore of T.H.G., who in turn that day forwarded the email correspondence to Marcus Evans. In turn, again, on the same date, Marcus Evans forwarded the emails to Patrick Hickey, Marcus Evans stating:

“whilst we have nothing to do with tickets for Rio I asked the people at Pro10 (as we will be looking after future games and want to ensure reputation is maintained with Irish public) for further detail on the complaint you provided me yesterday....”

Subsequently, on the 26th January 2016 Patrick Hickey replied to Marcus Evans stating:

“Yes but as I said there were other calls about messages left with no return call. We just have to be vigilant and make sure we give no cause for complaint”.

On the 20th January 2016 Martin Burke sent an email to David Gilmore relating a complaint by a friend of Mr Burke’s who *“wasn’t impressed with the service”*.

On the 26th February 2016, a member of the public sent an email to [REDACTED] a member of the O.C.I. staff, stating that he had applied to Pro10 for rowing tickets a couple of months previously but was only contacted that week by Pro10 who informed him that they had not been allocated any rowing tickets. The O.C.I. forwarded this email on, not to Pro10, but to David Gilmore of T.H.G.

9.3 Continuing Contact Relating to Ticketing Issues

The main area of continuing contact between Patrick Hickey (and the O.C.I staff) and Marcus Evans (and T.H.G.) related to ticketing issues, some details of which are already set out in Chapter Six.

Throughout January 2016 there are numerous emails between Martin Burke and David Gilmore on the numbers of tickets allocated to the O.C.I. for the Rio Games, and as to how the O.C.I tickets will be split between the O.C.I. and Pro10.

Some of the continuing contact related to ticketing arrangements for future Olympic Games. On the 20th January 2016 Marcus Evans emailed Patrick Hickey confirming arrangements for a meeting in Dublin on the 25th January to discuss proposals relating to future Olympic Games. Attached to the email were two proposal letters from Marcus Evans, the first offering a rights fee of US\$600,000 to secure the ticketing arrangement for the PyeongChang 2018 Winter Olympics, Tokyo 2020 Summer Olympics, and Beijing 2022 Winter Olympics, the second letter offering a rights fee of US\$ 600,000 for the Summer Olympics 2024 and the Winter Olympics 2026. These documents are similar to earlier proposals referred to in this Report, and include requirements of the Marcus Evans Group, or its subsidiary T.H.G., being provided with certain numbers of ceremony and premium event tickets, and include similar bonus payments for additional ceremony and premium event tickets obtained. There followed a series of emails between Patrick Hickey and Marcus Evans discussing the proposal and in particular the provision of the ceremony tickets.

Throughout 2016 there were many emails that related to the PyeongChang 2018 Winter Olympics, and the ultimate approval of T.H.G. as the A.T.R. for the O.C.I. by the PyeongChang Organising Committee. Recently, the O.C.I.'s current solicitors, Arthur Cox, have indicated to the Inquiry that the O.C.I. was "*taking legal advice regarding the nature and extent of its contractual obligations with ticket resellers for future Summer and Winter Olympic Games*". (See the Tenth Appendix for the relevant parts of this letter).

On the 22nd February 2016 Marcus Evans wrote to Patrick Hickey, enclosing a proposal document which related to Marcus Evans Group offering travel and hospitality services to the Swedish Football Association. Marcus Evans requested Patrick Hickey to provide a reference to be used in the application. Despite many months having passed since the rejection of T.H.G. as the A.T.R.

for Rio2016, Patrick Hickey wrote and signed a reference dated the 23rd February, 2016, which stated:

“This is to confirm that the Marcus Evans Group have acted for the Olympic Council of Ireland as their Authorised Ticket Reseller since the London Olympic Games 2012 and have been contracted to act for us at future Olympic Games also.”

On the 26th February 2016 R.O.C.O.G. wrote to the O.C.I. in relation to the arrangements for “*pick-up*” of the actual Rio Tickets, and on the 29th February Martin Burke did not contact Pro10 about this but emailed David Gilmore, of T.H.G., requesting that he “*ask the lads to return the required form*”.

The continued contact with T.H.G included involvement in the mechanism of payment to R.O.C.O.G. for the tickets. For example, by email dated the 2nd March 2016 R.O.C.O.G. sent two invoices to the O.C.I., which they describe as the updated invoices related to the current allocation of Olympic tickets. Later that day Martin Burke emailed David Gilmore of T.H.G. about the settling of the invoices.

On the 20th April 2016 there was a meeting held in Lausanne relating to International Ticket Sales, which was to cover “*the main questions raised by certain N.O.C.s related to PyeongChang, whilst also discussing broader impacts and considerations related to international ticketing*” According to an email of the 18th April 2016 written by Linda O’Reilly, his Personal Assistant, it appears that Patrick Hickey attended this meeting together with Marcus Evans in the latter’s private jet. This email relates to the travel arrangements confirming “*that Patrick Hickey will arrive on 20th April into Geneva - South Western Terminal by private jet with Marcus Evans at approximately 12.00h. They will return immediately after the meeting to the same terminal.*”

The Inquiry was provided with many emails relating to the Rio tickets, for example, in an email of the 3rd August 2016, two days before the Opening Ceremony in Rio de Janeiro, Patrick Hickey wrote to Marcus Evans stating “*We have tickets left that Pro10 don’t want so before we get rid of them have you any use for them?*” In reply, on the same day, Mr. Evans stated that “*I am afraid I have more than I need as well so all we can do is put back on portal for hopeful resell*”. Later on the same day, Mr. Hickey sent a further email to Mr. Evans stating “*I can confirm to you now that I do not require any of the opening or closing ceremony tickets that was part of our N.O.C. allocation. You can use them all.*”

9.4 Continuing Contact after the Arrest of Kevin Mallon

On the day of the Opening Ceremony of the Rio Games, the 5th August 2016, Kevin Mallon was arrested. The contact between Patrick Hickey and Marcus Evans continued and at this period focussed on the crisis developing in Rio.

Earlier on that same day, prior to the arrest of Kevin Mallon, issues regarding O.C.I. tickets had already arisen resulting in Marcus Evans sending the following email to Patrick Hickey:

“ R.O.C.O.G. have turned up at the T.H.G. venue and tried to say tickets issued to clients by pro10 are invalid. The R.O.C.O.G representative [REDACTED] [REDACTED] spoke to pro10 in Ireland (Michael Glynn) who confirmed that tickets in question were issued by Pro10 to clients with a European address. At this R.O.C.O.G. seemed to accept that the tickets are valid but now they are saying they have passed it onto the I.O.C. [REDACTED] to make a decision as to whether tix are valid. Clearly old hands trying to cause a problem when everything is valid.

Could you make a quick call to [REDACTED] to say that O.C.I. tix issued by it's A.T.R. must be honoured”

On the 7th August 2016 Patrick Hickey received an email from Greg Harney of Cartan Global, another A.T.R. company, stating:

“.... as you may have heard from Marcus already, one of his guys got busted and thrown into jail on Friday at one of our hospitality venues. An ugly scene on Opening night to say the least. Anyway we have been speaking with Marcus daily/hourly on trying to assist them but have suggested he make contact with you as well as obviously this was a targeted situation. Also, I have told Marcus that we can be part of the solution for him but not his defense as he requested”

On the 8th August 2016 Patrick Hickey, (by his Personal Assistant, Linda O'Reilly), emailed Marcus Evans stating that *“The situation has exploded can you call me immediately on my Brazilian number....”*

Later on the same day Marcus Evans sent to Patrick Hickey the following text of a press statement to be released by T.H.G.:

“We are aware that Kevin Mallon who is employed by the T.H.G. Group in Dublin is a Finance Director with the group has been questioned by Brazilian authorities in respect of matters arising out of the Olympic Games currently being held in Brazil. Whilst we are fully investigating the matter with the Brazilian authorities and with our local lawyers, T.H.G. strongly deny any suggestion that they have acted in anyway unlawfully. Until we have more details of the allegations made against Mr. Mallon and have fully investigated the matter, THG will not be making any further statements. Based on a preliminary review of the facts, we understand Mr. Mallon was acting in accordance with

instructions received from an Authorised Ticket Reseller and has not breached any local laws or I.O.C. rules. As a consequence T.H.G. will be vigorously defending Mr. Mallon as well as taking any appropriate action to stop any illegitimate attempt by the Brazilian authorities to disrupt T.H.G.'s legitimate activities.”

Later on the same day, the 8th August, Marcus Evans sent to Patrick Hickey for his approval an email with the same text of the press statement with the underlined words removed. In his reply Patrick Hickey stated that “*we are happy with this revised statement*”.

Later on the 8th August Patrick Hickey sent an email to Eamonn Collins of Pro10 enclosing a statement that Pro10 should give to the media, which reads:

“As the Authorised Ticket Re-seller for the O.C.I., Pro10 have been made aware of the ticketing situation in Rio. Pro10 have strictly complied with all regulations around ticket sales and re-sale.

Pro10 will now wait to receive more information on the specific nature of the investigations in Rio before commenting further”

Eamonn Collins confirmed to Patrick Hickey the following day that this statement was released.

By an email of the 10th August 2016 R.O.C.O.G. wrote to Pro10 stating that tickets allocated to them had been involved in a police investigation, and according to preliminary information such tickets had been provided to T.H.G. The letter requests Pro10 to:

“To provide Rio2016 with clarification on this issue, and in particular all details related to the tickets provided to the Third Party; and

“To inform Rio2016 of the measures adopted to ensure that this problem will not affect your remaining Ticket inventory”

By an email later on the same day Marcus Evans wrote to Patrick Hickey, enclosing a suggested draft response from Pro10 to this R.O.C.O.G. letter saying:

“Pat, see below suggested response drafted by Pro 10 to R.O.C.O.G. - I am getting feedback from lawyers in U.K./Ireland and Brazil but do you have any initial thoughts.”

The Inquiry was told that at this point, (in August 2016), Patrick Hickey was in the process of setting up an O.C.I. investigation into Pro10’s role as the A.T.R. for Ireland. It appears also that, at the same time, he was also being asked to advise Marcus Evans on the reply Pro10 should make to the R.O.C.O.G request for an explanation as to the provision of tickets to a third party.

Later on the same day, the 10th August 2016, Patrick Hickey sent to Marcus Evans a proposed public statement of the O.C.I., saying *“here is the statement I spoke about and unless I hear back from you I will take it that Eamonn is happy with it also”*.

On the 12th August 2016 Marcus Evans sent to Patrick Hickey a document which was a draft of the public statement proposed to be made by Pro10. This document had additional words inserted and certain words struck through. See the Eighth Appendix for this document. This amended statement was later issued to the Press by Pro10.

9.5 Acknowledgment of the Continuing Involvement

In the course of the consultations the Inquiry had with members of the O.C.I. staff, the issue of the on-going involvement of T.H.G. was raised:

Dermot Henihan, the Honorary General Secretary, indicated to the Inquiry that he was not aware whatsoever of any connection between Pro10 and T.H.G. However, he accepted that as a result of his current knowledge of matters *“It looks like now that there is some connection but I don't know the people at all, I have never met these people. Going on what came back there was obviously some interconnection between them. I don't precisely know what that is.”*

Stephen Martin, the Chief Executive Officer of the O.C.I., indicated to the Inquiry that at the time his understanding of the continued involvement of David Gilmore and T.H.G. was that T.H.G. were *“looking at being a ticketing agent next time round and I suppose Pro10 had very limited experience in ticketing and he would help make sure they were able to deliver a service. Any time we had any issues, let us say complaints from the public, I would perhaps say to Linda [REDACTED] in particular, get on to David Gilmore...”* . It was his understanding at the time that David Gilmore was there to help, advise and guide Pro10.

When Stephen Martin was shown emails between Patrick Hickey and Marcus Evans relating to the content of the Pro10 Business Plan that was sent to R.O.C.O.G., (see the Fifth Appendix, Document Six), he said he wasn't aware of this contact but he agreed it would cause concern as regards connections between Pro10 and T.H.G.

Stephen Martin was shown the emails between Patrick Hickey and Marcus Evans in relation to agreeing the content of the Pro10 information to appear on the O.C.I. website (see chapter 9.4), and he said he wasn't aware of these communications.

Stephen Martin was shown the emails between Patrick Hickey and Marcus Evans in relation to agreeing the content of the Pro10 public statement issued after the arrest of Kevin Mallon, (see Chapter 9.4.) Again, he said he was not aware of these communications and did not know anything about it.

On the basis of the information shown to Stephen Martin he agreed that it “*would suggest that there is a closer relationship*” between T.H.G. and Pro10 but he stated that Patrick Hickey “*just was solely responsible for this particular contract*” and that “*the key points from my perspective would be that a due diligence was meant to have been done on the Company by our solicitor, Barry MacCarthy, Martin Burke met with them, and I am not aware of the background here, the exchange of emails between Marcus Evans and Pat, and so on, that is private between themselves, we would not have been privy to that, I am not sure anybody else within the organisation would have been.*”

Martin Burke, Sports Director of the O.C.I., indicated in his written account to the Inquiry that “*It was clear to me that while Pro10 were acting as the A.T.R. the control lay with T.H.G.*” At consultation when asked to explain this statement he said the following:

“*When I went to meet Pro10 [in December, 2015] David Gilmore was at the meeting, I didn't realise he was going to be there, and it was pretty clear to me that they didn't understand Olympic ticketing but that David did and David was advising them or telling them what to do.*”

Martin Burke continued:

“.... I was in contact the whole time, right up until the start of the Rio Games with David Gilmore. I suppose he was our, he was the contact and it must have been through Marcus Evans and I was told to keep in contact with David Gilmore. I honestly can't say who would have told me to do that or... it was as though the relationship.... didn't stop. Certainly the President would have told me, get on to David Gilmore and find out X,Y or Z.”

Martin Burke stated to the Inquiry that *“after Pro10 had been appointed I assumed that my communication would be with Pro10 and they weren't responding so again I went back to Mr. Gilmore and asked him to get responses for me.”*

When asked about the true relationship between T.H.G. and Pro10 Mr Burke described the situation by saying *“I would say that PRO10 were a friendly company to T.H.G.”*

Martin Burke was shown the emails between Patrick Hickey and Marcus Evans relating to the content of the Pro10 Business Plan that was sent to R.O.C.O.G. (see the Fifth Appendix, Document Six) and asked to explain why Marcus Evans is sending to Patrick Hickey the Pro10 document that is going to be sent to R.O.C.O.G. He replied:

“..I don't know, but again I can imagine how it originated...That Pat Hickey and Marcus Evans were in contact and needed a line to go to Rio”

Martin Burke was shown the emails between Patrick Hickey and Marcus Evans in relation to Pro10's response to R.O.C.O.G.'s query for information following the arrest of Kevin Mallon. (See Chapter 9.4). Mr. Burke was asked whether he could explain why on the 10th August 2016 Marcus Evans sends to Patrick Hickey a suggested response from Pro10.

Mr. Burke replied:-

“Obviously Marcus Evans and Pat Hickey were in contact the whole time you know in the run up to Rio and they continued on and Kevin Mallon who was an employee of T.H.G....obviously Marcus Evans took a greater interest when his employee had been arrested and was communicating at a greater rate with Pat Hickey to see what they could do..... It still appears that Mr. Hickey and Mr. Evans were directing Pro10.”

Linda O'Reilly, Personal Assistant to Patrick Hickey, told the Inquiry that she was instructed by Patrick Hickey to deal with David Gilmore. She agreed that while Pro10 was appointed as the A.T.R., control remained with T.H.G. and Marcus Evans, and she agreed it would appear that Pro10 was effectively a front or cover to allow Marcus Evans and T.H.G. to remain in the picture.

Ms. O'Reilly expressed the view that she was not really concerned at the time of the continued involvement of T.H.G. as she *“thought they were just assisting because David Gilmore's name was on the original order and they were guiding Pro10 on how to proceed.”*

When shown the contacts between Marcus Evans and Patrick Hickey that related to agreeing the Pro10 information on the O.C.I. website, Ms. O'Reilly stated that she knew Marcus Evans "*was involved all the time as he was David Gilmore's boss. So, he was always in the background there with Pat Hickey.*"

9.6 References to Kevin Mallon before the R.T.E. Interview

In the course of the R.T.E. interview on the 11th of August 2016 Patrick Hickey stated that he had never met Kevin Mallon and that he didn't know anything about him. Also, on the 8th August 2016, before this interview, Patrick Hickey had approved an O.C.I. press release which indicated that "*the O.C.I. has no knowledge of the two individuals arrested*", one of whom was Kevin Mallon.

In the material provided to the Inquiry the following references to Kevin Mallon were noted:

1. Reference is made to Kevin Mallon, in the original Ticket Sales Agreement which related to T.H.G. This agreement was dated the 9th October 2014, was signed by Patrick Hickey and was forwarded to R.O.C.O.G. This agreement was not signed by R.O.C.O.G because ultimately it rejected T.H.G. as the A.T.R.

The Code of Conduct for Olympic Games Ticketing is located at Exhibit G of this agreement, and is signed by "*Kevin Mallon, Director*" indicating he was a Director of T.H.G. and it indicates that he signed the document in Dublin on the 9th October, 2014. See the Fifth Appendix, Document Three, referred to at Chapter 5.5.

2. In the series of emails between Patrick Hickey and Marcus Evans on the 25th and 26th January 2016 relating to the discussion of arrangements for future Olympic Games and in particular the numbers of ceremony tickets required to be provided by the O.C.I. to T.H.G., reference is made to comparing the position with the number of ceremony tickets provided for London 2012, and in the course of the email sent to Patrick Hickey by Marcus Evans there is reference to the email being copied by c.c. to Kevin Mallon.

3. On the 23rd June 2016 David Gilmore sent an email to Linda O'Reilly stating:

“...it appears from below that we are short on both sessions. I will see if they can order via the portal in the morning and let you know....”

The “*below*” referred to in this email was the following attached email message:

From: Kevin Mallon

Date: 23 June 2016

To: David Gilmore

Subject: OCI

We are short on both AT005 and AT014 so cannot give any tickets. Can we buy some additional through the portal?”

On the following day, in the same email chain, Linda O'Reilly sent an email to David Gilmore stating “*Many thanks for your reply. I have checked with Pat and he would appreciate if you could order in the 2 tickets (Cat C)*”

4. Further, there is the reference to Kevin Mallon in email correspondence about three weeks before the R.T.E. interview. On the 22nd July 2016, Greg Harney (of Carton Global and Global Sports Partners) emailed Patrick Hickey informing him:

“THAT WE FIGURED OUT A PARTNERSHIP WITH MARCUS EVANS AND HIS TEAM FOR RIO AS THEY WILL BE USING OUR VENUE FOR HOSPITALITY DURING THE GAMES. HAVE BEEN WORKING IN PARTICULAR WITH MARCUS’S GUY OUT OF DUBLIN – KEVIN MALLON”

[The original was written all in the upper case.]

The following day Patrick Hickey responded by sending an email to Greg Harney thanking him for this information and looking for the address of the hospitality house.

When sent the draft Report for comment, Patrick Hickey, through his solicitors made submissions about the television interview of the 11th August 2016.

“You make comment in relation to this interview and it is out of context you suggest from your report that Patrick Hickey knew Kevin Mallon because he was a signatory to a document and because he was referred to as a copied party in email correspondence from his employer. This suggestion lacks credibility and ignores commercial reality. Documents are signed on a regular basis by anonymous or unknown parties and principals involved in commercial transactions are strangers to such signatories. In fact the first time Patrick Hickey met Kevin Mallon was shortly after his arrest in Bangu Prison Rio de Janeiro. In addition you have taken out of context Patrick Hickey’s interview and comments.

Patrick Hickey was referring to the current Rio2016 Games and the programme was not looking forward or into the Summer Games in Tokyo 2020 or the Winter Games Pyonchang. Patrick Hickey was referring to the fact that R.O.C.O.G. wrongfully had declined to accept T.H.G. and that the contractual relationship with the O.C.I. that existed was for Sochi 2014. The ongoing Games (and the A.T.R.) was not an issue discussed in the interview.”

Chapter Ten

Governance of the O.C.I.

10.1 Introduction

“Sport is young in its development in this country, it is totally volunteer-based, and that is both its strength and weakness. We couldn't run Irish sport without volunteers. We have people in Irish sports in roles that they are not skilled for, but they are passionate about it, they care about it and it becomes their life.”

Sarah Keane to the Inquiry

Corporate governance within the Olympic Council of Ireland, (O.C.I.) is addressed by the Inquiry by virtue of para.3 of its Terms of Reference and, also, in so far as this is ancillary to other issues under examination.

10.2 Strategic Planning

When asked about strategic planning, Stephen Martin, the Chief Executive Officer of the O.C.I., told the Inquiry that the O.C.I. had a statement of strategy, which was available on its website. This is a short document, limited in its content, entitled *“Role of the O.C.I.”* and dated the 1st January 2010. It sets out a vision, a mission and a set of key objectives. See the O.C.I. website for the contents of this document.

Key Objective Five is to provide good governance and to ensure best practice. Its specific commitments include:

- *Ensure that there are clear roles and responsibilities for the President and Officers and best practice working relationships with O.C.I. staff.*
- *The President and Officers to work with the staff to lead the management and coordination of administrative activities including staff, infrastructure, purchasing.*
- *Prepare and approve of annual budgets, preparing financial statements and ensuring financial policies are adhered to for the purposes of audit.*
- *Establish ad hoc committees as required utilizing the skills of board members and or through contracted professional advice.*
- *Our core values embrace leadership, accountability, transparency, innovation, teamwork and respect for people we work with.*

The statement of strategy concludes with the line, *“The success of our mission is entirely dependent upon the income we receive”*.

Stephen Martin explained the O.C.I.’s *“strategic framework”* as follows:

“In the Olympic terms we called it a strategic framework which sets out your vision, which essentially is to be the best O.C. you can be. Your mission statement essentially adopts a little bit of the I.O.C. Charter information, which is try and provide the best operational planning for Olympic Games and develop the Olympic movement within the country. Out of this we have five key strategic objectives and one was obviously on the planning side. So, it would be wrong to say we didn't have a strategy

for Games operations. Within that strategy, for example, for science and medicine, there is support to ensure that the team was as best prepared. In terms of professional development and management, there was the appointment of team leaders. There are thirty competencies which they are meant to fulfil which can be used as a benchmark to ensure that we get the right people and so on and so on. Within that there was a whole strategy in relation to flights, clothing, team people and so on”.

However, several members of the Executive Committee informed the Inquiry that there was no evidence of the application of a strategic plan, particularly in the day to day business operations of the O.C.I. Professor Ciarán Ó Catháin stated:

“I have never seen a strategic plan, I have never heard talk of a strategic plan or where the Olympic Council is going or what its ambition is or where it wants to be, say in 2020 or 2024.”

This view was shared by James Galvin, a representative of the Federation of Irish Sport who commented:

“I was particularly struck on foot of, I suppose, this issue arising that the O.C.I. to my knowledge, does not have a strategic plan, therefore, has no mission, no vision. If they don't have a mission or vision and it's not stated in the strategic plan, I would then question its raison d'être. Why does it exist? What are its strategic goals?”

In so far as a statement of strategy exists on the O.C.I.'s website, it appears primarily as a chart for achieving success at Olympic events with little attention to the objectives of governance.

The O.C.I. has informed the Inquiry that it is currently undertaking a strategic review with the aim of producing an eight-year Strategic Plan by the end of 2017. As stated by its President, Sarah Keane:

“The O.C.I. has engaged with various parties to submit proposals for undertaking the review under the leadership of the Executive Committee. It is intended to engage with all stakeholders, including Athletes and Federations, as part of the process. The review is intended, in particular, to examine how best the O.C.I. can add ‘value’ to athletes in their preparation for, during and post Olympic events. The desired outcome is to have a new/revised Vision, Mission and Strategic Plan which all stakeholders understand and agree to. It will also be made public. The Strategic Plan will have clear, definable outcomes with milestones (Key Performance Indicators), for which the Executive Committee will be held accountable.”

10.3 Role of the Executive Committee

The crisis in Rio de Janeiro brought into focus for the Executive Committee the inadequacies of its governance, in particular in the areas of decision-making and the oversight of executive action. Sarah Keane described the performance of the Executive Committee as devoid of any “*robust discussion*” or “*debate around the table*”.

At each meeting of the Executive Committee an agenda was prepared and presented in accordance with company law and the members present had a voice and an opportunity to express their views.

There is no record in the minutes of its meetings that certain matters of commercial contracts and sponsorship were brought before the Executive Committee, matters which that body ought to have considered.

On the critical issues surrounding tickets for Rio some members of the Executive Committee informed the Inquiry that they had little, if any, knowledge of the difficulties with T.H.G. and the consequent appointment of Pro10.

Ms. Keane told the Inquiry that *“ticketing was never, that I recollect, an agenda item”* and that *“there were brief references in financial reports to some monies coming in and out around ticketing, none of which I would have had any particular concerns around at the time. Other than that, T.H.G. and Pro10 were never mentioned at any Board meetings I was at”* and that the appointment *“of Pro10 in 2015 when I was on the Board, that was never brought to my attention or it was never approved at Board level. There was never any discussion on it at Board level either”*.

Ciarán Ó Catháin stated that *“there was absolutely no discussion at any meeting that I was at around either T.H.G. or Pro10 or ticketing”* and in relation to the involvement of Pro10 *“I would have thought that it should have been brought to the Board and agreed by the Board in advance of any decision being made”*.

Regarding the decision of the Rio Organising Committee for the Olympic Games, (R.O.C.O.G.), to refuse to approve the appointment of T.H.G. as A.T.R., Professor Ó Catháin stated that *“there was no issue ever raised around it”* and *“I think it’s quite amazing that it wasn’t brought to the Executive for an input or for discussion”*.

The O.C.I. did not have a standard process or protocol in terms of what came before the Executive Committee for approval and what did not. For example, as

regards the issues of sponsorship, Professor Ó Catháin described the decision making as follows:

“The President, Pat Hickey, obviously he was very involved very significantly in all of that sponsorship deal and it was just reported to the Board that this deal had been done... We weren't asked to formally validate or approve any of the deals, whereas from my own experience if I'm bringing something or a sponsorship deal or anything to [a board], the board would have to approve it and they would have to have all of the necessary documentation there shown.”

Professor Ó Catháin concluded *“I think it was just a matter of being reported to the Board rather than decision-making I think there is no doubt that the real decision-making was done by the President.”*

Sarah Keane, now its President, informed the Inquiry that the O.C.I. is working on the draft of a protocol of what is to come before the Executive Committee for approval.

10.4 Minutes, Reports and Accounts

Some members of the Executive Committee complained that they did not receive the financial accounts in advance of meetings. These were not included with the other agenda documents circulated in advance. Accounts were distributed at the commencement of the meeting. There was no advance notification of their contents and, therefore, no real opportunity to review them or to prepare for discussion and at the meeting they were just accepted.

Dermot Henihan, the O.C.I.'s Honorary General Secretary told the Inquiry that financial statements were passed around to members at meetings, so that the

members could be appraised of the most up-to-date financial position. Unlike others, he believed there was time for everybody to consider them. He described the financial statements as standard documents that issued at every meeting and were easily read. Anybody who wished could raise questions.

The Inquiry was told that certain matters which may have been discussed at meetings were not minuted. This led to conflicts in recollection over some matters which may or may not have been discussed. Mr. Henihan had the task of preparing minutes. Other than as in the commentary which follows, these minutes were comprehensive and well kept. They are informative communications of the sports related decisions of the O.C.I. and in this respect constitute good records.

Mr. Henihan, however, stated that on occasion important matters were not minuted even if they were discussed. He illustrated a possible reason for this in saying:

“... maybe it’s because we might have said; ‘let’s chat about this and talk about it’. That happens occasionally at meetings especially on items that we would say; ‘let’s talk about something’, I won’t use the term ‘off the record’”.

He went on to say:

“I don't have an infinite memory, but from time to time especially on commercial stuff, Pat as Chairman would say: "I'm going to tell you some stuff now but I want it off the record." No one would disagree. Then he would tell us about T.H.G. or a potential sponsor coming up that he wouldn't wanted noted in case someone goes off talking about it someplace else or, as has happened before, you get people trying to rob your sponsors and things like that. It would happen definitely from time

to time that there would be stuff off the record. I am using the term 'off the record' but not to be recorded'".

This practice in minute taking had particular relevance when it came to the Inquiry understanding whether or not certain matters had been discussed by the Executive Committee, for example, the decision by R.O.C.O.G. not to sanction T.H.G. as the A.T.R., or the subsequent appointment of Pro10.

10.5 Role of the Chief Executive Officer

The role of the Chief Executive Officer was very different in practice to what was set out in the job description. Some of the decisions which one would expect to be taken by him were, in effect, made or directed by the President. The Chief Executive Officer did not attend meetings of the Executive Committee during the years of critical concern other than to present his report. Once he presented his report he left the meeting.

A minute of a meeting of the Executive Committee on the 5th February 2013 contained a reference to the attendance of the Chief Executive Officer. He is described as attending *"by invitation for Chief Executive Report"*. With reference to this new arrangement the minutes say: *"With no further questions arising the Chief Executive withdrew from the meeting"*.

The minute continued: *"The President confirmed that this new procedure would apply for future meetings"*.

Stephen Martin, the Chief Executive Officer of the O.C.I., explained to the Inquiry that he had attended Executive Committee meetings regularly from his commencement in office in 2006. Since February 2013 his role was just to report to the Executive Committee and deal with any questions arising. He suggested two reasons for this change. First, some of the members of the committee had wanted an open forum where the Chief Executive Officer wasn't present so that they could discuss business. Secondly, there was a view that this was a normal practice within the European Olympic Committee, that staff come in and they report at the start of the meeting, they take questions and they leave and then the Executive Board discusses its business. He said that Patrick Hickey had expressed the view about the European Olympic Committee practice.

Stephen Martin was limited in what he knew of the views and concerns of the Executive Committee by reason of his exclusion.

When asked for the reasons for this change, Stephen Martin told the Inquiry:

“Pat would say ... ‘We know exactly what is going on, we are fully up to speed with you and your reports. Yyou supply that information to the rest of the Executive Committee well in advance of the meeting and you are free to go earlier in the meeting than you would normally do so’. So I accepted that at the time. I had no real choice at the time, that was a direction so I abided by it”.

Stephen Martin agreed some of the responsibilities in his job description were taken on by Patrick Hickey. Stephen Martin described Patrick Hickey as an Executive President, *“he was our boss, I reported to him directly”*. He explained to the Inquiry,

“I thought I would have more autonomy as a Chief Executive but that was the situation and that was what we worked with. We tried to make it work as best as possible. As I say there were some areas which were the responsibility of the President, typically on the political side, high level political, or on the commercial”.

It is clear that Mr Martin had little knowledge or involvement of the issues surrounding the rejection of T.H.G. as the A.T.R. or of the appointment of Pro10 as the replacement. When shown email correspondence between Patrick Hickey and Marcus Evans, Mr Martin was asked why did he think he had been excluded in this instance since he had been involved with other sponsors.

To this he replied:

“Well in light of the emails I am just seeing here there was an issue and Pat had solutions to solve that issue and maybe he didn't want me to know the detail”.

and when asked why this should be, he replied:

“I am not sure I really want to answer that question right now, because I am not sure. We are trying to get our heads around it. We had a pretty difficult time in Rio and post Rio because we were held out there and questioned by the police as to what we knew, and so on, and until we actually know the final story here you know I don't really want to give a view on that. Pat is my boss-ish still and I would trust him. But let us see how this pans out. I just know from my own perspective I wasn't in the loop, as another person dealing with the sponsors.”

10.6 Role of the Treasurer

The Inquiry believes there was an inappropriate exercise of the role of the Treasurer within the O.C.I.

Kevin Kilty, who was Treasurer from August 2014 until his resignation on the 18th October 2016, told the Inquiry the following about his role:

“It was explained to me as very much an honorary role. I mean I expressed at the time, I said I'm not an accountant, I'm not a bookkeeper, I don't have any financial training. I was told that's not an issue, your job is basically - it's an honorary position and you would be a signatory to the O.C.I. bank accounts. Your role is to present the accounts at the A.G.M. and also to present a Financial Management Report, which is constructed by the First Vice President, who is the bookkeeper of the Council. So, it was pretty much a hands off sort of role in the sense that I travelled quite a lot and what I would receive once a week by email, usually on a Friday, was a list of payments that were being made that week and it was just a final sign off because I was led to believe that the process is that the payments are constructed during week, they are approved by the person who originated the payment or the request for the payment and then it's just passed through me at the very very end as the final signatory. Every now and again, as indeed I mentioned in my submission, I would question something if it wasn't really clear to me what it was and that would be either an email or phone call back to the office. In my time I do not recall any instance where any payment or request for payment was denied even following a result, in the sense that you have to rely really on the permanent staff. They have been there for

many, many, many years. The role of Honorary Treasurer is just that, it's an honorary role and to a certain extent you have to trust what's being placed before you and by all means I do ask the question, and if you check the emails that are probably still on the O.C.I. system, you will see that from time to time I raise a query in the sense of what is this for because I don't recognise it. But when it came to the bookkeeping side that was very much the First Vice President, Willie O'Brien, and when I took on the role of Treasurer, I said to Willie; I said, 'Willie, I'm not a professional in this, I'm not even an amateur in this sort of a role. I don't know what you expect of me.' Willie's response was: 'Well, listen, it's not a big job. I'll do the bookkeeping, I'll do the accounts, you just present the Management Report, which I will give you, and you present the accounts at the AGM and sit in with me with the accountants.' So on that basis I said I would do it. But very quickly into the role I said; listen, I don't enjoy this, this is not my area of expertise at all and after less than a year in the role I expressed my desire to leave, not just the role but also the O.C.I. as well because I didn't believe the O.C.I. was an organisation really that tied in with what I wanted to do going forward.'"

When sent the draft Report for comment, William O'Brien and Kevin Kilty said that it was known within the O.C.I. that William O'Brien, the First Vice-President, assisted Kevin Kilty, the Treasurer, in completing the books of account and that at every A.G.M. Kevin Kilty acknowledged the support and assistance of William O'Brien in preparing the books.

At the same time this arrangement between the First Vice-President and the Treasurer, appears to have been unknown to Sarah Keane and Ciáran Ó Catháin, two members of the Executive Committee.

Commenting on this arrangement, Professor Ciaran Ó Catháin, stated:

“Had I been aware of it I would have had an immediate issue with it. To me the segregation of duties under normal accounting process is that you wouldn't have a Vice-President signing off or doing the accounts. To me I would have much preferred then that we would have employed somebody as a bookkeeper to do the books or one of the admin staff would have done the bookkeeping with the Treasurer overseeing it.”

Further, Kevin Kilty, the Treasurer, did not appear to have a role in financial planning, budgets or other typical aspects of financial management. He stated to the Inquiry:

“There was no budgeting in the Council, there was no formal budget ever produced.”

While the point was made to the Inquiry by William O'Brien that budgeting was carried out by the O.C.I., it appears this was only in the context of the annual application for funding by Sport Ireland. As can be seen from Chapter 11.2, the application to Sport Ireland did require a budgetary input, such as details of O.C.I. annual income (including sponsorship) and expenditure, (including salaries, allocations to O.C.I. affiliate organisations, allocations to individual athletes) and details of O.C.I. financial reserves.

10.7 Financial Administration

The accounts of the O.C.I., as a limited company, were audited in accordance with law.

A number of issues arise concerning the financial administration of the O.C.I. The disorderly approach seen in relation to the administration of tickets was carried forward into financial administration. The appropriate level of best practice in accounting procedures, expected in relation to the governance of a body receiving taxpayers' money, was not always applied, as can be seen from the following examples:

The Preparation of Accounts:

- The management accounts for 2016 were prepared by the First Vice President of the O.C.I. There is the potential for a conflict of interest or a perceived conflict of interest/lack of segregation of duty when governance and executive activity overlap. This is an issue of best accounting practice and not, in this case, an issue of integrity.

Accounting Procedures:

- The accounting procedures of the O.C.I. were not robust. For example, regarding the Pro10 contract, no invoices have been raised in respect of money outstanding from Pro10.

- Despite requests by the Inquiry, a financial reconciliation of tickets between the O.C.I. and the A.T.R. was not furnished, either for the London Games in 2012 or the Rio Games in 2016.

Reporting:

- A Finance Report presented to the O.C.I. Executive appears to misstate or inaccurately report an O.C.I. income receipt of US\$60,000.
- Some disclosures in the O.C.I. accounts are potentially misleading. For example, the annual €60,000 honorarium paid to Patrick Hickey is recorded in the O.C.I. Activities Revenue account under the heading “*Executive Officers*” when it relates solely to Patrick Hickey. Further in one financial report the honorarium is described as “*Sponsorship Commission*”.

Financial Control:

- The Inquiry had a concern at a possible absence of control in the operation of O.C.I. bank accounts. For example, the O.C.I. opened a Sterling account in Britain with Lloyds for the London 2012 Games. This bank account remains operational with expenditure recorded, in the Republic of Ireland as well as in the United Kingdom, for a considerable period after the Games in London ended.

The Allocation of Funds:

- Mr. Harry Hermon, a representative of the Federation of Irish Sport referred to the absence of transparency in the making of decisions about the allocation of funds and the basis on which different sports were awarded grants. He described this as a “*mystery*”.

The O.C.I. has informed the Inquiry, through its solicitors, Arthur Cox, in a recent letter of the 11th May 2017, that:

“The new Executive has completely overhauled the financial administration of the O.C.I. and a clear financial policy documentation has been adopted and is operational. We have appointed an external accountant to oversee the system and the payroll has been outsourced. The U.K. bank account is in the process of being closed.”

10.8 Leadership Style

A clear picture of Patrick Hickey’s presidency of the O.C.I. emerges from the contributors to the Inquiry. He had a strong executive style. His role extended into the marketing and commercial spheres. He was described invariably as a good negotiator, especially for funding and sponsorship. He was described as a problem solver and his skills in this area were trusted within the O.C.I. He was also described as “*a very hands-on President*”.

He held the position of President of the O.C.I. for twenty-eight years, having been first elected to that office in 1989. He is a member of the International Olympic Committee and has risen very high within the Olympic Movement at a

global level. He was seen as working very hard to ensure that the I.O.C. allocated good funding to the O.C.I.

Stephen Martin told the Inquiry, *“Pat normally provides the solutions to most things and this [the A.T.R. issue] was a real difficulty and he couldn't, as I said you earlier, he couldn't understand why”*.

Dermot Henihan, the Honorary General Secretary, described Mr. Hickey's role in negotiating and fundraising in the following terms:

“I mean, you know, in an organisation like ours you have to have a level of trust. I go out and do what I do, people trust me to do it, right, and I try to get the best deal for the Olympic Council of Ireland. Other people do it in other areas and Pat Hickey does it in this area and he has brought a hell of a lot of money into the O.C.I. over the years that we wouldn't have got only for him. He is a good negotiator in that.”

Kevin Kilty, the Honorary Treasurer of the O.C.I. from August 2014 until his resignation on the 18th October 2016, described Patrick Hickey's role in commercial matters as follows:

“... when it came to the commercial side of the Council, that was very much Patrick Hickey's bailiwick, so that would extend to basically anything to do with sponsorship, anything to do with the Olympic movement, such as Olympic solidarity and European Olympic Committees which were also sources of funds.”

Mr. Kilty went on to describe Mr Hickey's decision making style as follows:

“The best way I could describe it is that Pat generally only told us at meetings when something had been delivered, such as a sponsor ,

Of course in these situations it's delivered in a very affirmative and very upbeat manner along the basis of we have managed to secure €100,000 of sponsorship from or whomever and the general reaction from everyone was that's a great job, Pat, well done. Pretty much that is as much as the interaction would probably go, if it did."

Mr. Kilty also informed the Inquiry:

".... the way Mr. Hickey operates is that he doesn't make anyone party to his discussions, he doesn't invite you, certainly you will see no emails from me or to me relating to anything to do with ticketing or invoicing of sponsors, this is something that he very much kept within the office and within his bailiwick. For him to discuss this as an Executive I would expect only positive outcomes to be raised at an Executive meeting if it was".

Patrick Hickey was also described as a person who "ruled the roost". The Inquiry was told, *"that is Pat's house, that is his seat. It is the strength and it is the weakness at the same time. That is the best way to put it."*

This is further illustrated in a comment made to the Inquiry by Kevin Kilty:

"When I took on the role of the Chef de Mission I very quickly realised there is absolutely nothing you can do without the approval of Mr. Hickey, so that started the process of a little bit of disillusionment with me. The President was in an extremely dominating role and probably that is why I said the role of the C.E.O. is probably quite weak in that respect, I probably would consider Mr. Hickey to be an Executive Chairman rather than a President".

Patrick Hickey's positive attributes were genuinely appreciated within the O.C.I. and for good reason. However, his style of leadership was characterised by strong personal control over decision making. He did not seek the engagement of his key officers or of the Executive Committee in decision making. He presented the decision as a *fait accompli*. It was an autocratic style of leadership. It allowed for a situation where there was an over dependence on the power of one individual, an unhealthy situation in any organisation.

Patrick Hickey was personable. One member of the Executive Committee, (in other ways critical), described him as being very charismatic and “*always very polite*”. That member said his ethos was to ensure that people were made feel part of the Olympic family and welcome.

10.9.1 The President's Honorarium

The O.C.I. provided an honorarium of €60,000 *per annum* in the six years between 2010 and 2015 for Patrick Hickey, its President.

As explained by William O'Brien, the First Vice-President, in his written account to the Inquiry:

“The approval of an honorarium for the President was first introduced to the O.C.I. in the year 2010 on a proposal from John Delaney, Second Vice President. The amount approved by the Executive Committee was €60,000 per annum commencing from January, 2010. This was approved in recognition of the president's endeavours in his capacity as Marketing Executive to O.C.I. and with the efforts he made on behalf of the O.C.I. in obtaining substantial sponsorship agreements. The full amount of the Honorarium was drawn down by the President in the year 2015. The total amount being €360,000. The full taxes and USC charges were paid in the

2015 tax return year through the P.A.Y.E./P.R.S.I. / U.S.C. company returns.”

Minutes of the meeting of the Executive Committee of O.C.I. held on the 9th March 2010 record what appears to be the first reference to this honorarium as follows:

" Proposed Honorarium for the President

The Hon. Treasurer considering the details of the work of the O.C.I. President in raising funds for the O.C.I., and the amount of his personal time spent on O.C.I. affairs, asked that the matter of an Honorarium for the President should be considered. The proposal had the unanimous support it was agreed to ask the officers to discuss the matter in detail and to report back to the Executive Committee. Such a payment would follow the practice in similar organisations as the O.C.I."

The matter came back before the Executive Committee at its meeting on the 22nd June 2010. Mr. O'Brien presented the "report and proposal" of the executive officers. The minutes describe:

"the excellent contribution over 22 years by our President, his force behind the day to day functioning of the O.C.I. and the finances he has raised single handedly in sponsorship income. Additionally it outlined his many positions on the I.O.C., E.O.C., A.N.O.C. and the Commissions, specially the I.O.C. Marketing Commission.

"It detailed many sponsors gained for Sydney, Athens, Beijing and the London Games to date, noting that this income provided the O.C.I. with the ability to maintain its autonomy.

“The Officers having considered the role of our President in both the work of the O.C.I. and his dedication to the overall Olympic Movement fully endorses the granting of an honorarium. In consideration of all the above the Executive Officers have concluded that a sum of 60,000 Euros per annum commencing 1st January 2010 be recommended to the Executive Committee for adoption. There then followed many supportive comments by the members of the Executive Committee’.

The minutes go on to describe that on the proposal of John Delaney and seconded by Billy Kennedy, the Executive Committee unanimously approved the President’s honorarium and the recommendation was formally adopted.

The relevant minutes finish with, *“The President thanked the Executive Committee for their support and very much appreciated the many complimentary comments of the members”.*

William O’Brien explained to the Inquiry:

“My understanding of it was that it was proposed that in an Executive meeting that in light of the amount of money Pat was bringing in that an honorarium should be paid to him and that was at a first Executive meeting and that Pat asked the Honorary Secretary to then check that this wouldn't be in breach of the Memorandum and Articles, and a subcommittee group was set up to decide on the amount and that when the subcommittee group of the offices met and it was taken into account that it would be liable to tax and tax would be approximately 50 per cent of anything he got, so that’s where the fee of 60,000 arrived from”.

Provision for the honorarium was made in the O.C.I. accounts for 2010, 2011, 2012, 2013 and 2014. It appears that no monies were paid out to Mr. Hickey

until late 2015 and the honorarium payments payable for 2010 to the end of 2014 were treated as accruals in the annual accounts.

John Delaney, the Second Vice-President of the O.C.I. until his resignation on the 25th October 2016, in a written submission to the Inquiry referred to a number of key points and stated as follows:-

“1. While I was the formal proposer of the honorarium on 22 June this was the final stage of the process and was a matter of formality at the end of a discussion by the Executive Committee.

“2. Prior to the meeting of 22 June I did not have any involvement in and was not aware of the initial formulation of the proposal for an Honorarium for the President. Having reviewed the minutes it appears that the evolution of the proposal was as follows:-

- It appears to have been first raised at the Executive Committee meeting on Tuesday 9 March 2010. I was not present at that meeting.*
- The concept of an Honorarium was introduced by the Honorary Treasurer and, according to the minutes, the proposal had the unanimous support of those Executive Committee members who were present.*
- The Executive Committee asked the Executive Officers to look at the issue in more detail and to report back with recommendations to the Executive Committee.*

“3. On Tuesday 22 June, the Executive Officers reported back to the Executive Committee meeting. I was present at this meeting.

- *The Executive Officers presented a report and recommended an honorarium of €60,000 per annum. I was not involved in or privy to the preparation of the report or the Executive Officers' deliberations in relation to the proposal.*
- *I first learned of the amount of the proposed Honorarium when it was put to the meeting.*
- *There was considerable discussion of and support for the proposal amongst the members of the Executive Committee. At the end of those discussions, having heard the expressions of support from all present, I proposed the resolution which was passed unanimously.*

“4. In summary, therefore, I was not involved in the formulation of the concept of an honorarium or the amount of any such honorarium. I attended the meeting of 22 June, at which there was a clear consensus in support of the Executive Officers' proposal. I then formally proposed the resolution for approval.

“5. In addition, I wish to make it clear that my support for the honorarium was strictly on the understanding that the honorarium payments would be fully disclosed and would comply in all respects with legal and tax requirements, including the provisions of the Memorandum & Articles of Association. I have always understood this to be the case. If there was any doubt about whether the honorarium complied with the Memorandum & Articles of Association or was otherwise legally compliant I would have expected that to be raised and dealt with by the Executive Officers having taken appropriate advice.

“6. In this regard I would point out that the honorarium was approved on a yearly basis by the O.C.I. Auditors and the accounts approved at

every O.C.I. A.G.M. subsequent to 2010 by all member Federations. It was also in the public arena and referred to from time to time in the national media.”

The Inquiry was told by William O’Brien that Patrick Hickey did not want the honorarium paid out to him and was happy for it to accrue. Mr. O’Brien added that the O.C.I. had been advised by its auditors that this could be done.

The “*Financial Statements*” for the year ending the 31st December, 2014, as presented to the A.G.M. on the 21st August, 2015, were provided by the O.C.I. to the Inquiry, and the following appears at Note 17 in the accounts:

“During the year the members approved the awarding of an Honorarium of €60,000 to Patrick Hickey (President of the Olympic Council of Ireland). The balance, included in accruals and payables in note 12 at the 31st December, was paid subsequent to the year-end”

A number of persons told the Inquiry that they had understood Patrick Hickey indicated an intention to use the honorarium to fund a trust or benefit of some kind for the purpose of sport and athletes. Some believed it was intended for “*young athletes*”; others for “*athletes generally*”.

Kevin Kilty described how he questioned the practice of accruing the honorarium. He was told that Patrick Hickey wanted to accrue the payment because he intended to establish a trust when he retired for the benefit of athletes. Mr. Kilty’s understanding was that the money was to go into a trust for charity or for a sporting purpose – “*It was basically said to me that it was an athletes’ trust that he was going to establish*”.

Another officer of the O.C.I. told the Inquiry,

“The one thing I would say was that very very early on, and I wouldn't have a date on it, I discussed with Pat Hickey I personally thought the amount was quite high but what he told me at the time was that he didn't intend to draw it down, that it would become a fund either in his name or in his memory for up and coming athletes or whatever”

That officer understood and continued to understand that Mr Hickey's reason for not drawing down the money confirmed the intention of Mr Hickey to establish a fund for the benefit of athletes.

In late 2015 Mr. Hickey decided to draw down the honorarium for his own use. Following consideration of the income tax requirements with its auditors, the O.C.I. paid out the sum of €60,000 (the accumulated honorarium) less tax. The payment was in respect of 2010, 2011, 2012, 2013, 2014 and 2015. The Inquiry was informed that all relevant taxes (about €184,000) were paid by the O.C.I. in November, 2016.

When sent the draft Report for comment, William O'Brien drew attention to advices that the O.C.I. sought from the accountants *“which advised the O.C.I. as to how they must deal with the payment of the Honorarium to Pat Hickey”*. These advices as to the Honorarium being liable for the payment of tax on a P.A.Y.E. basis were received in 2015.

As far as the Inquiry knows, no other person in the O.C.I. has ever been paid an honorarium.

10.9.2 Propriety of the Honorarium

“honorarium”

- *a payment given for professional services that are rendered nominally without charge.*

Oxford Dictionary of English (Third Edition.)

The sum of €60,000 is not consistent with the interpretation of an honorarium as a nominal payment effectively to honour a contribution that was voluntary. Apart from the dictionary definition, the normal application of the term covers payment of a nominal amount to acknowledge and honour the recipient. The payment to Patrick Hickey of €60,000 was treated by the Revenue Commissioners as P.A.Y.E. income.

Having regard to terms of the Memorandum and Articles of Association of the O.C.I. a question arises as to the propriety of the award of such an honorarium, regardless of the amount.

Clause 3 of the Memorandum of Association of the O.C.I. Ltd. provides:

“The income and property of the Council whencesoever derived shall be applied solely towards the promotion of the objects of the Council as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise howsoever by way of profit to members of the Council PROVIDED that nothing herein shall prevent the payment in good faith of reasonable and proper remuneration to any officer or servant of the Council or to any member of the Council in return for services actually rendered to the Council no member of the Executive Committee of the Council shall be appointed to any salaried office of the Council or any office of the Council paid by fees and that no remuneration or other

benefit in money or money's worth shall be given by the Council to any member of such Executive Committee except repayment of out-of-pocket expenses ...”

Article 10.6 of the Articles of Association provides:

“Members of the Council, with the exception of those who devote themselves to the administration of sport, shall not accept any salary or fee of any kind in respect of their position thereon. They may accept reimbursement for transportation, lodging and other reasonable expenses incurred by them in connection with their Olympic duties”.

It is not clear what consideration was given to these provisions by the O.C.I. when the honorarium was first put in place or subsequently accrued and paid.

The Inquiry does not purport to give any definitive legal analysis of the foregoing, but it is questionable whether such a payment was in compliance with the company provisions of the O.C.I. , and whether such a payment was within the spirit of the organisation as a small voluntary operation guided by principles of Olympism.

Recent correspondence from the O.C.I.'s solicitors refers to the phrase *“with the exception of those who devote themselves to the administration of sport”* in art.10.6 and states:-

“While we cannot be definitive as to the basis on which the Honorarium was granted as no details in relation to this are recorded in the minutes of the Executive Committee or otherwise. Article 10.6 of the Articles of Association may have been considered when the decision to grant the Honorarium was made, although we offer no opinion on same.”

Further, art. 17(2) of the Articles of Association provides that membership of the Executive Committee shall be vacated *ipso facto* if the member “*become an employee of the Council, a paid consultant or adviser to the Council or provides for profit any other service to the Council*”.

Accordingly, without being definitive, it may be that such payment was contrary to the Memorandum and Articles of Association and no compelling counter argument was advanced to the Inquiry .

Regardless of the terms of the Memorandum and Articles of Association, there is a question on the amount of the honorarium. This point was raised by some of the members of the Executive Committee.

It was recorded in the Minutes of the meeting of the Executive Committee of O.C.I. held on 9th March, 2010 that “*such a payment would follow the practice in similar organisations as the O.C.I.*”

In this regard the Inquiry is not aware of any other organisation the size of the O.C.I. which provides an honorarium of €60,000 per annum to a non-member of staff, whether the president of the organisation or otherwise. €60,000 is twice the average industrial wage and equates to roughly 5% of the average annual income of the O.C.I.

Interestingly, at the Executive Meeting on the 25th June 2012 a Financial Report for the period 23rd April, 2012, to 25th June, 2012, was produced, which made reference to an expenditure of €60,000 described as “*Sponsorship Commission*”.

When asked about this entry of “*sponsorship commission*” William O’Brien stated to the Inquiry that it related to the honorarium, but was not able to explain as to why it was described as a sponsorship commission. This is the only year such an entry appears. Mr. O’Brien confirmed that the €60,000 was not actually

paid out that year despite it appearing in the accounts. While the Inquiry accepts that there is no information that the €60,000 per annum was calculated as a percentage of the sponsorship garnered by Patrick Hickey, it is clear from the entries in the minutes that the success of Mr Hickey's achieving significant levels of sponsorship provided the main basis for such payments to him being approved by the O.C.I.

Two questions arise from a governance position. First, should there have been more attention to ensuring that the payment of the honorarium was permitted under the constitution of the O.C.I.? Secondly, could it properly have been described as an honorarium, given the large amount involved?

The Inquiry would also have expected greater clarity on any reasons for the accrual of the honorariums over six years and on tax compliance at each relevant stage.

The Inquiry has been informed by the solicitors to the O.C.I. that on the 1st March 2017 the new Executive Committee resolved that the "*O.C.I. will not pay an honorarium for the year ending 31st December 2016 to its former President*".

Further, the Executive Committee resolved that "*for the future, O.C.I. will not pay an honorarium to its President and/or other Executive Officers*".

In his comments on the draft Report, Patrick Hickey, through his solicitor has indicated that:

"The President's Honorarium is fully canvassed in the records and meetings of the O.C.I. The manner in which the honorarium was paid and the tax deduction was done in accordance with recommendations of Mazars the auditors to the O.C.I. and after consultation with the Revenue Commissioners pursuant to requests and directions of the Revenue

Commissioners. The entitlement of the President to receive the Honorarium was checked by the Honorary General Secretary of the day at the time after professional advice was sought from the auditors Mazars. The procedure adopted was cleared by the Honorary General Secretary with Mazars and the Revenue Commissioners. All taxes were paid.”

Pursuant to other comment made by him on the draft Report, the Inquiry notes that Mr. Hickey gave twenty-three years’ voluntary service to the O.C.I. when no honorarium was paid.

10.10 Autonomy

The Olympic principle of autonomy is a strong value in the culture of the O.C.I. Sometimes it is applied inappropriately and in a manner not conducive to good governance. It can be used as an obstacle to forming more effective relationships with the Government and with Sport Ireland.

One member of the Executive Committee stated:

“It is a principle of the Olympic Charter that there can be no political interference in how the national Olympic committees or how the International Olympic Committee works.

When asked if that was a good thing, he answered:

I think it is used as a weapon to say: We cannot talk to them, we cannot listen to them, we can't cooperate with them, we can't do anything with them because that would be letting them interfere and tell us what to do, and that is against the Olympic Charter”.

However, there is an acknowledgement of a more constructive approach in keeping with recent developments in I.O.C. policy, as understood by certain members of the Executive Committee. As one member put it:

“ ... we need to reach out and whilst we of course must maintain that principle we must at the same time try to work with whoever in supporting Irish sport because we are all there to do that together, whether that is the Department, Sport Ireland, the Minister, whoever.”

10.11 Models of Governance

Apart from the Deloitte Report, the Inquiry considered two models of governance which were, and are, available to the O.C.I., namely

- 1) I.O.C. Governance Policy,
- 2) The Community and Voluntary Code

1) I.O.C. Governance Policy

Many of the principles of good governance were developed and set out in various I.O.C. policy documents and more recently restated in December 2014 with the adoption of Olympic Agenda 2020, a set of forty recommendations.

See <https://www.olympic.org/olympic-agenda-2020>

2) The Community and Voluntary Code

This is a code of practice designed for good governance of community, voluntary and charitable organisations in Ireland. It was developed by a group

of organisations with a shared aim of improving governance practice across the sectors in Ireland. It is the code identified by Sport Ireland as its preferred code for sporting organisations, including National Sporting Federations. It is the code that National Governing Bodies of Sport are asked to apply and is the code of more immediate relevance to many participants in Irish sport, including our Olympians and elite athletes.

See www.governancecode.ie for the full text of this code.

After her election as President of the O.C.I., Sarah Keane told the Inquiry:

“My view is that the Board is wholly behind the recommendations in the Deloitte Report and our evidence of that is at the first board meeting one of the first pieces of business is that we adopt the voluntary code of governance”.

Ms. Keane has informed the Inquiry that this code was adopted on the 17th February 2017.

10.12 The Deloitte Report

On the 9th September 2016, in the wake of events unfolding in Rio de Janeiro, the O.C.I. Crisis Management Committee engaged Deloitte to carry out a review of its governance arrangements.

The terms of the engagement of Deloitte were confined to the organisational structures and processes of the O.C.I. They did not extend to other aspects of good governance or to the day-to-day management. The review was limited to governance arrangements under the Articles of Association and to matters that might be considered at an upcoming E.G.M.

The terms of reference as they were expressed to Deloitte were:

- Review of the O.C.I. Memorandum and Articles of Association / Constitution and the governance arrangements in the constitutions of a selection of relevant comparator sports bodies and other National Olympic Committees with a view to making recommendations on changes that might be made to the O.C.I. Memorandum and Articles of Association / Constitution.
- Engagement on the above with relevant stakeholders (members of the O.C.I. Executive Committee and OCI Member Federations, Sport Ireland, the European Olympic Committee and the International Olympic Committee).
- Preparation of a draft report on the findings of the review to include recommendations on governance principles that may lead to changes to the O.C.I. Memorandum and Articles of Association / Constitution and any other relevant matters that Deloitte identify during the course of their work and deem to be relevant.

On the same day, the 9th September 2016, the O.C.I. released a statement giving a commitment to act on the recommendations of the Deloitte Report. It was expressed in the following terms – *“It is anticipated that the initial exercise will be concluded within a month and the report will then be shared with the O.C.I. Executive Committee. It is expected that all agreed changes to the OCI constitution will then be put to an O.C.I E.G.M. soon after”*.

The Deloitte Report acknowledged its limitations that the matters it covered:

“relate to mainly structural and process changes, which will go some way to enhancing the accountability and transparency.”

and that

“ultimately effective governance depends on people and fundamentally the right behaviours and culture, an assessment of which are outside the scope of this Review.”

The Deloitte report was not intended to be a complete prescription for the current O.C.I. governance difficulties, but it charts the essential course for structural and process reform.

See Chapter 12.2 for a further discussion on recommendations from Delitte Report.

See the Ninth Appendix for the full text of the Deloitte Report.

Chapter Eleven

State Funding of the O.C.I.

11.1 Introduction

The Terms of Reference of this Inquiry included, at paragraph 3 thereof, consideration of “*state funding of the O.C.I. by Sport Ireland and its predecessor, the Irish Sports Council.*”

The functions of Sport Ireland are set out in the Sport Ireland Act 2015 (‘the Act’). These comprise a very wide range of functions including the development of strategies for increasing participation in sport, supporting the achievement of excellence in competitive sport, supporting elite athletes, combating doping in sport, and responsibilities for the National Sports Campus. The Act gives Sport Ireland responsibilities in the area of research in sport and the development of sports’ coaches and tutors.

Section 8(4)(a) of the Act empowers Sport Ireland to provide financial assistance to any person or body in respect of any matter related to the performance of its functions as Sport Ireland thinks desirable. Section 11 of the Act empowers it to establish criteria, terms and conditions to attach to any assistance it may provide. It also gives it power to withhold assistance, or demand a refund of assistance, where terms and conditions are not fulfilled. Sport Ireland may request any person or body to provide it with information in the form it requires and at such time as it requires. It may withhold or refuse assistance if satisfied the information it requires is not forthcoming. Criteria or terms and conditions established by Sport Ireland may be published on the website of Sport Ireland.

The foregoing is not a full account of the powers, functions and duties of Sport Ireland but it is a sufficient précis in the context of the matters before this Inquiry. Currently, Sport Ireland is in the consultation stage of developing a 2017-2021 Statement of Strategy, and the Inquiry understands that this process will be completed soon.

The working relationship between Sport Ireland and the O.C.I. was reported as being quite often difficult. Sport Ireland perceived that the O.C.I. had a specific sensitivity around its independence. Practical measures were, however, devised by the parties to improve this relationship and, ultimately, these worked. The Inquiry has seen the Operational Agreement 2013 – 2016 and is aware of an earlier agreement between the two bodies. Sport Ireland stated to the Inquiry that “*adherence to the operational agreements went a long way to removing the potential for dispute*”.

11.2 Sport Ireland Grants to the O.C.I.

Sport Ireland has provided the O.C.I. with financial assistance under its High Performance Grant Scheme for a number of years. This assistance has been provided by virtue of its functions under s.8 of the Act and subject to terms and conditions imposed by it. The grants were given specifically for the purposes of paying administrative and programme costs. Sport Ireland told the Inquiry that it was aware the O.C.I. received income from other sources. In general, Sport Ireland welcomed sports organisations developing additional sources of income as this should lead to a healthier financial state and less dependence on State funding. In the case of the O.C.I., this additional income ensures that the O.C.I.’s dependence on Sport Ireland is limited to the longstanding agreement of funding for administration and programme costs only.

The Sport Ireland funding process, in so far as it related to the O.C.I. was explained to the Inquiry as follows:

- Sport Ireland issues the annual funding application to the O.C.I. in October each year. The completed application form is returned to Sport Ireland in early December.
- The application form gives details of the O.C.I. annual income (including sponsorship) and expenditure, (including salaries, allocations to O.C.I. affiliate organisations, allocations to individual athletes), and details of O.C.I. financial reserves.
- The application for funding is submitted under two headings – Administration and Programmes. Administration relates to salaries and certain costs. Programmes generally relate to activities associated with preparations for the Olympic Games, visits, training camps, and for attendance at the European Youth Olympics Games Summer and Winter (E.Y.O.F.).
- Following analysis and consideration by its officials, the proposed funding is presented to the Sport Ireland Board for approval at the February Meeting.
- The funding allocation for Administration costs is based on a percentage of approximately 70% of the total allowable administrative costs of the O.C.I. Programme funding is allocated on the basis of 50%, 75% and 90% of the estimated cost depending on the nature of the activity.

- The O.C.I. is notified of the allocation by letter shortly after the Sport Ireland Board meeting. Subject to compliance with Sport Ireland conditions of grant approval and tax clearance, the first 75% of the allocation is issued to the O.C.I. normally within two weeks.
- In order to receive the balance of the 25% of funding, the O.C.I. must submit a mid year review which includes updates on annual goals and objectives, annual financial statements and an A.G.M. Report. The financial statements are reviewed and signed off by the Sport Ireland Finance Director.
- In December each year, the O.C.I. submits a letter to Sport Ireland giving details of the actual costs in the year for Administration and Programmes. The Programme costs are supplemented by receipts for expenditure. The final payment to the O.C.I. is based on these figures.
- If the original estimate for any Programme cost is exceeded, the final payment is still calculated on the approved amount. This ensures that the overall allocation to the O.C.I. does not go above the figure approved by the Sport Ireland Board.

Sport Ireland grant aided the O.C.I. in the total amount of €1,721,088 in the Rio cycle, that is in the four years leading up to the Olympic Games, being 2013, 2014, 2015 and 2016.

As far as the Inquiry is aware no other State funding was made available to the O.C.I. during this said Rio Cycle.

Sport Ireland advised the Inquiry on 21st November 2016 that it had not received the financial statement of the O.C.I. for the year ending on the 31st December 2015 and accordingly the final payment had not been forwarded to the O.C.I. On the 21st February 2017 Sarah Keane, then the newly elected President of the O.C.I., informed the Inquiry that the final payment for 2016 had not been received by the O.C.I.

Sport Ireland subsequently informed the Inquiry that all relevant accounts and returns had been received by it from the O.C.I.

Ms. Keane also informed the Inquiry that the application for funding for 2017 had not been completed, as Sport Ireland was reviewing the funding arrangements and she was of the view that Sport Ireland was not going to release any funding until the Inquiry had completed its work.

Chapter Twelve

Review and Recommendations

12.1 Review

The Inquiry has been limited in its investigation and findings, first, by virtue of its non-statutory basis and, secondly, by the invocation by many of the principal parties of the right against self-incrimination.

As explained in Chapter 1.6, by reason of its non-statutory nature, the Inquiry did not have any powers to compel parties to attend before the Inquiry or to produce statements or documents. Moreover when participants did voluntarily attend before the Inquiry there were no adversarial proceedings nor were they requested to give evidence under oath; rather they were asked by the Inquiry to assist by way of oral account in relation to matters touching upon the Terms of Reference.

As further explained in Chapter 1.6, the “*findings*” (within the meaning of paragraph 5 of the Terms of Reference) are those which follow from the Inquiry’s information gathering and interviewing processes rather than constituting adjudications, in the legal sense, between conflicting versions of facts or law.

The second limitation on the Inquiry was the invocation by many of the principal parties of the right against self-incrimination.

As explained in Chapter 2.3 the Inquiry respects the claim of a right against self-incrimination and recognises the need to invoke this plea by a party facing serious allegations in another forum. Nonetheless the invocation of this plea by so many participants resulting in their failure to engage with the Inquiry has imposed a major impediment to the preparation of this Report.

As explained in Chapter 2.3, as a result of the invocation of the claim of a right against self-incrimination, the Inquiry was barred direct access to the details of individual ticket sales which has substantially undermined the ability of the Inquiry to acquire a comprehensive understanding of the facts. Further, the findings of the Inquiry (in the sense explained at Chapter 1.6) have been based, by necessity, only on the contributions of those willing or able to participate.

Nonetheless from those who have contributed to the Inquiry there has been information provided on some issues which has been uniform and persistent. To reinforce this point, much of this information has been in the form of independent documentation, such as emails, clear in their meaning and the provenance of which has not been questioned by any party.

Subject to the foregoing, the Inquiry draws attention to the following ten matters:

12.1.1

T.H.G. had been the Authorised Ticket Reseller (A.T.R.) for the Olympic Council of Ireland, (O.C.I.) at the Olympic Games at London in 2012 and at Sochi in 2014, and it was intended by Marcus Evans and Patrick Hickey that it would be the A.T.R. again at Rio2016. However in May 2015, the Rio Organising Committee for the Olympic Games (R.O.C.O.G.) rejected the application of T.H.G. for this position. The details of this are set out at Chapter 5.7.

When sent the draft Report for comment, T.H.G., through its solicitors, replied by referring to the press release issued by it at the outset of the controversy, on the 19th August 2016, which stated that it was T.H.G.'s firm view that they had at all times acted lawfully.

12.1.2

To replace the rejected T.H.G., Pro10 was appointed the new A.T.R.

Kmepro Ltd., a company with limited liability was incorporated on the 28th April 2015 and it then registered Pro10 as a business name in the Companies Office on the 20th May 2015. The agreement between Patrick Hickey, (on behalf of the O.C.I.), and Pro10 was made on the 22nd June 2015.

Notwithstanding the short interval between the incorporation of Kmepro Ltd., the registration of the said business name and the execution of the contract with the O.C.I., the business plan submitted to R.O.C.O.G. by Pro10, in support of its application, referred to its years of experience in ticketing and accommodation. (See Chapter 5.9).

Furthermore the account given by Pro10 to R.O.C.O.G. as to the origins of its relationship with the O.C.I. is contradicted by the information available from email correspondence and from the relevant parties consulted by the Inquiry. (See Chapter 5.9).

The agreement between the O.C.I. and Pro10 for this appointment was made in June 2015, although the final approval of it by R.O.C.O.G. did not occur until the 27th November of that year. The interval between the said agreement in June and the final approval in November 2015 was caused, in part, by a delay in Patrick Hickey and the O.C.I. submitting the application to R.O.C.O.G. (See Chapter 5.8)

The narrative for these events appears at Chapter Five.

12.1.3

Pro10 provided an inadequate service as an Authorised Ticket Reseller (A.T.R.) to such an extent that it was unfit for its purpose, the details of which are set out at Chapter Eight.

The ineffective and chaotic service provided by Pro10 resulted in a substantial level of complaints from athletes, their relatives and friends, from members of the Sports Federations and from the public. (See Chapter 4.11 and Chapter Seven.)

There was a dearth of information available to the athletes, the sporting bodies and the public as to how tickets were allocated and how they might be acquired. This accompanied a lack of transparency on ticketing issues on the part of both Pro10 and the O.C.I. (See Chapter Seven for these matters.)

While the process for accreditations and the ultimate number of them received by a N.O.C. is governed by the I.O.C. and the relevant guidelines, there appears to have been a similar lack of transparency and communication about them with the athletes and sporting bodies. (See Chapter 4.11.)

12.1.4

After the appointment of Pro10, it would appear that T.H.G. remained as the effective A.T.R. for Ireland at the Rio Olympic Games. From the material provided to the Inquiry and from the consultations with members of the staff of the O.C.I., it appears that Pro10 was not a genuine A.T.R., but its involvement disguised the continuing role of T.H.G. and Marcus Evans as the real or *de facto* A.T.R. (See Chapters Five and Nine for the events concerning this.)

As discussed in Chapter Five, in considering the large amount of email traffic provided to the Inquiry, it can be noted that, despite the selection of Pro10 as the O.C.I.'s A.T.R., there is minimal direct contact between Patrick Hickey and O.C.I. staff on the one hand and the staff and directors of Pro10 on the other. At all material times the point of contact for the O.C.I. remained T.H.G. and, in the main, David Gilmore and Marcus Evans. In Mr. Gilmore's view regard should be had to the proactive nature of the O.C.I. in requesting contact.

This situation, apparent from the email correspondence, has been confirmed by the staff of the O.C.I. who dealt with the A.T.R. application under the direction of Patrick Hickey.

12.1.5

The email correspondence and the accounts of parties interviewed by the Inquiry suggest a longstanding relationship between Patrick Hickey and Marcus Evans. The material considered in Chapters Five and Nine shows that the relationship survived the rejection of T.H.G. as Ireland's A.T.R. for Rio2016, that it continued up to the actual Games and, moreover, (as can be seen at Chapter 9.3), it was to continue in regard to future Olympic Games. One of the proposals considered the possibility of T.H.G. remaining as the Irish A.T.R. up to 2026.

Patrick Hickey stated in a television interview, (broadcast on R.T.E. on the 11th August 2016), that the O.C.I. had severed its links with T.H.G. after the Sochi Games in February 2014. This account is difficult to reconcile with his relationship with Marcus Evans and T.H.G., as is shown by the volume of e-mails between the parties and the information given to the Inquiry by contributors. (See Chapters Five and Nine, including Chapter 9.6 for Patrick Hickey's explanation of this interview.)

In addition, there is no record in the minutes of their meetings, that Patrick Hickey brought before the Executive Committee of the O.C.I. the rejection of T.H.G., the continuing involvement of T.H.G. or the circumstances surrounding the appointment of its successor, Pro10.

12.1.6

As appears from Chapters Five and Six, the agreements with T.H.G. in regard to London2012, and with Pro10 in regard to Rio2016, seem to show more concern for the commercial interests of the A.T.R. than for the interests of the athletes, their friends, relatives and supporters or for those of the spectating public. As appears from these agreements and the narrative appearing from their email correspondence, Patrick Hickey's relationship with Marcus Evans and T.H.G. was long standing and to the mutual financial benefit of both the O.C.I. and T.H.G.

Mr. Hickey strongly supported the application of T.H.G. to become the Irish A.T.R. for Rio2016 and went to great lengths on its behalf to allay the concerns raised by R.O.C.O.G. When this failed, one of the early options considered by Mr. Evans and communicated to Mr. Hickey was the formation of a new company to act as the A.T.R. with some contractual and/or agency relationship with the O.C.I. and the Marcus Evans Group. This suggestion was followed shortly after by the registration of "*Pro10 Sports Management*" as a business name.

In this regard a number of points arise from the available material on which the Inquiry sought, and would have welcomed, an explanation from the relevant parties, which are as follows:

- A rights fee of US\$ 1 million was paid by T.H.G. in consideration of being appointed the A.T.R. for the Olympic Games at London in 2012 and at Sochi in 2014. This was done without an explanation being given at the time as to how it would recoup this sum or earn a return on such a large outlay.

- It is difficult to see how the rights fees paid by T.H.G. were consistent with the 20% limit on any addition to the sale price of tickets. If T.H.G. was restricted to adding only 20% on each ticket, then in order to recoup the rights fees, it would have had to sell a much greater quantity of tickets than those allocated to the O.C.I.
- A similar issue arises in respect of the agreement by Pro10 to pay US\$600,000 in consideration of its being appointed the Irish A.T.R. for Rio2016.
- It is difficult to reconcile T.H.G.'s request for an increased allocation of tickets for Rio2016 with its lower rights fee to the O.C.I., on the basis of an anticipated reduced level of demand for the Rio Games. (See Chapter Six.)
- It appears there was an interest in obtaining not just an increased number of tickets at Rio2016, but an increased number of tickets to certain high profile events. This was despite the non-involvement of Irish athletes in most of these events and the absence of any level of demand for tickets for those events from the Irish public. (See Chapter Six).
- As appears from the agreements with them, one of the terms of the consideration was that the A.T.R.s were to be given tickets to high profile events. For example, in the case of the Agreement in respect of Rio2106, Pro 10 was to get all forty-six N.O.C. Family Tickets for the Opening and Closing Ceremonies and almost all the tickets for five of the athletics finals. (See Chapter 6.6 for the details of this.)

In the light of the foregoing and with the caveat that it is without the contribution of some of the relevant parties, the available information leads to an inference that T.H.G. needed to engage in a significant sale of tickets to high profile events at the Games, including a hospitality element, in order to recoup the considerable sums paid as a rights fee.

The sale of hospitality packages by T.H.G. outside its territory or before its appointment as the A.T.R., could have given rise to a breach of the terms of the T.S.A. for Rio2016. When this was suspected by R.O.C.O.G., this and previous concerns arising from the F.I.F.A. World Cup in 2014 led to the rejection of T.H.G. as the A.T.R. by R.O.C.O.G.

This issue of the A.T.R., whether T.H.G. or Pro10, recouping the considerable sums paid as a rights fee must also take account of the additional substantial premiums or bonuses to be paid in accordance with their respective agreements with the O.C.I., for example, the bonus payment of US\$1,500 per ticket for Category A tickets to the Opening Ceremony. (See Chapters 5.3 and 5.8.)

Furthermore, in light of the absence of co-operation as detailed at Chapter Two, the Inquiry has not been able to trace the individual purchasers of the O.C.I. tickets. Accordingly, it is not possible to ascertain the number of the O.C.I. ticket allocation (either N.O.C. Family Tickets or A.T.R. General Public Tickets), which ended up being sold by Pro10 or T.H.G. in a manner that included a hospitality element and whether such hospitality was priced excessively or not.

Hospitality packages, (as is mentioned in the brochure at the Fifth Appendix, Document Four), can command high prices for premium

events. The suspicion that tickets were included in unauthorised hospitality packages appears to have been a reason for R.O.C.O.G. rejecting T.H.G. as the A.T.R. for Rio2016 as was surmised in the email from Patrick Hickey to Marcus Evans of the 30th April 2015

“Rio are incensed on the attached brochure as they guess very well for that price a ticket has to be included and this is one of the major reasons for blocking you.”

(See Chapter 5.7.)

12.1.7

There was a transfer of at least 178 N.O.C. Family Tickets from the O.C.I. to Pro10.

That there had been an intermingling of the different categories of tickets is borne out by the following facts:

- The unused O.C.I. tickets seized from its safe at the Olympic Village on the 20th August 2016 ought to have been N.O.C. Family Tickets. Notwithstanding this, fifty-two of them were A.T.R. General Public Tickets. (See Chapter 6.9.)
- Included in the tickets found in Kevin Mallon's possession at the time of his arrest were twenty-three O.C.I. tickets for the Opening Ceremony. Of these twenty were General Public Tickets and two were N.O.C. Family Tickets.

During his oral consultation, Martin Burke, the Sports Director of the O.C.I., gave the Inquiry the following reason for the transfer of the 178 N.O.C. Family Tickets:

“we told the A.T.R. that we didn't require these 178 tickets and that they could, if they had a use for them, they could take them”.

The casualness about these tickets, as implied in Mr. Burke's words, is at odds with the following facts revealed to the Inquiry.

- (a) The transfer of tickets between the O.C.I. and the A.T.R. had been contemplated by the parties well in advance of the Games.

(b) The transferred N.O.C. Family Tickets included those for high-demand events, (among them sixty-six tickets for Athletics Finals), some of which might have attracted a bonus payment from the A.T.R.

12.1.8

This transfer of tickets raises a further issue.

As explained in Chapter Four, the ticketing scheme operated by the I.O.C. and R.O.C.O.G. distinguished between N.O.C. Family Tickets and General Public Tickets. The former were for the use of N.O.C. Family Tickets, (as defined in the T.S.A.), and were not for sale to the general public.

Contrary to the letter and spirit of this ticketing scheme and the said distinction between the two types of tickets, the O.C.I. entered into arrangements to provide N.O.C. Family Tickets to Pro10 for onward sale to the public. (See Chapter 6.6.)

This arrangement in relation to Rio2016 resulted in the transfer of at least 178 N.O.C. Family Tickets to Pro10, a number of which were to high-demand events, including sixty-six tickets to the Athletics' Finals. (See Chapter 6.6.)

Also contrary to the letter and spirit of the said ticketing scheme, the agreement signed by Patrick Hickey and Pro10, dated the 22nd June 2015, specified that the US\$ 100,000 rights fee is subject to Pro10 receiving from the O.C.I. certain N.O.C. Family Tickets for premium events.

This transfer of N.O.C. Family Tickets to Pro10 for high-demand events had the effect of allowing them the potential of making further returns.

12.1.9

As can be seen from Chapter Six, for both the London and Rio Games arrangements and agreements were made for the exchange of tickets between the O.C.I. and the respective A.T.R.s, T.H.G. for London and Pro10 for Rio. In addition agreements were made for the payment of premiums, in excess of the rights fees, for additional tickets to Ceremony or *Blue Riband* events.

Accordingly, as a result of the aforementioned exchange of tickets and the said payment of premiums, there should have been a balancing amount paid to the O.C.I. Such payments do not appear in the accounts provided to the Inquiry and the absence of any reconciliation statements and supporting documentation is of some concern.

12.1.10

Governance of the O.C.I.

Chapter Ten deals with governance of the O.C.I. and as appears therefrom its management was ordered more in the manner of unilateral presidential decision-making than as the collegiate process usually contemplated by sporting bodies or the Companies Act.

- Its Executive Committee was not consulted to make certain decisions but, rather was informed of decisions already made by the President.

- Its Chief Executive Officer was deprived of some of the functions usually associated with his office and which were set out in his terms of appointment. For example, functions such as fundraising and commercial contracts were undertaken by the President.

- From February 2013 to August 2016 its Chief Executive Officer, after giving his report at the beginning, was excluded from meetings of the Executive Committee.

- There was no proper demarcation of the roles of the
 - the President,
 - the Chief Executive Officer,
 - the Treasurer,
 - the Accounts Administration.

The Executive Committee of the O.C.I., by an initial decision made in March 2010, agreed to pay an annual honorarium of €60,000 to Patrick Hickey in acknowledgement of his success in acquiring the said substantial rights fees, but in regard to that:

- more consideration could have been given to the fact that the honorarium may have been in breach of the Memorandum and Articles of Association of the O.C.I.,
- the amount was not consistent with the interpretation of an honorarium as a nominal payment to honour a voluntary contribution, and
- such payments were not made but were deferred to late 2015, as was payment of taxes arising from the same.

12.2 Recommendations

The Deloitte Report, the contents of which are set out in the Ninth Appendix, made twenty-five recommendations as to the governance of the O.C.I. None of the contributors to the Inquiry demurred from any of these recommendations and neither does this Inquiry.

Accordingly, the Inquiry endorses all the recommendations made in the Deloitte Report, and makes the following additional points:

- A. The Inquiry places its own emphasis on recommendation number 17(a)
“Remove the option for Officers and members of the Executive Committee to have a vote at Council meetings”.

It was the view of some contributors and it is the view of this Inquiry that a vote on the Council of the O.C.I. for members and officers of the Executive Committee, which, up to now, could be over a quarter of the total, undermines the independence of the Council in its dealings with the Executive Committee and simultaneously reduces the accountability of the same Executive Committee to the Council.

- B. Particular emphasis was placed by a number of contributors on the issue of limits of two four-year terms for all members of the Executive Committee.

To this a certain qualification might be considered. A situation may arise where it is desirable to retain a person for a further term.

In addition, it is important to allow a *cursus vitae* through the International Olympic Committee (I.O.C.) and other international bodies to be open to representatives from Ireland. Accordingly there should be some flexibility to enable a member of the Executive Committee of the O.C.I. sufficient time to become known internationally and to build foreign contacts.

With these points in mind, the Inquiry endorses the qualification as to term limits in the Deloitte Report, namely

“This provision should allow for an extension for a third term in defined exceptional cases only and not allow any Executive Committee members to serve for more than a twelve-year period, to include consecutive or accumulated time.”

C. Each Sporting Federation has one vote on the Council of the O.C.I. The Federations are of varying size, the smallest of which may not send participants to a meeting of the Olympic Games. Consideration might be given to weighting these votes, allowing the larger Federations an extra vote, or extra votes. A balance has to be struck between, on the one hand, giving the larger bodies a dominance to the detriment of the smaller and, on the other, having a situation whereby a large Olympian Federation, such as Athletics, might be deprived of any representation on the Executive Committee.

D. Art.13.2 of the Articles of Association of the O.C.I. provides that *“the President for the time being of the Council shall preside as Chairman at any general meeting.”*

This should be substituted by a provision such as

“The members of the Council entitled to vote shall choose one of their number, other than a member of the Executive Committee, to preside as Chairman at a general meeting. In the event of a tie, the Chairman of the meeting shall be chosen by lot.”

For reasons of perception as much as reality, it is important that the Chairman of a general meeting be seen as independent in circumstances where the President or other members of the Executive Committee might have an interest in matters such as the outcome of elections, controversial motions, etc.

See The Third Appendix for the full text of the said Articles of Association .

E. The interests of athletes’ relatives and friends, of supporters, spectators and interested members of the public should be fostered by the O.C.I. As set out at Chapter 7.3.3, it is not easy for them to form a cohesive group, given the four-year interval between the Summer Olympic Games. The O.C.I. should arrange for the establishment of a Supporters’ Club to meet at intervals in the period leading up to the Games. Such an arrangement, even on an informal basis, could have alleviated many of the problems encountered by persons wishing to be involved in the Rio Olympic Games.

An appropriately structured and moderated social media forum might help.

12.3 State Funding of the O.C.I.

The Report, (at Chapter Eleven), has set out the basis for the state funding of the O.C.I. by Sport Ireland. State funding must always be a political question, involving matters of national sporting policy and the exigencies of exchequer resources and, accordingly, the Inquiry feels constrained not to give advice on this issue.

However, the Inquiry notes, (see Chapters 3.4 & 3.5), the extensive resources of the O.C.I.'s parent body, the I.O.C., which may be an appropriate factor influencing State policy as to the level of funding to be made available to the O.C.I.

12.4 The Focus on the 2016 Olympic Games in Rio de Janeiro

Because of the absence of co-operation from the main participants and in order to achieve an expeditious report, the Inquiry has felt obliged to confine itself to the Summer Olympic Games in Rio de Janeiro in 2016, the reasons for which are set out at Chapter 1.7.

For the same reasons as are about to be given for advising not to establish a Commission of Investigation, the Inquiry respectfully suggests that, on balance, it would be disproportionate now to proceed to look into the earlier Olympic Games in 2012 or 2014.

12.5 The Necessity for a Commission of Investigation

Para.4(a) of the Terms of Reference provides:

“Arising from the above, to make any recommendations arising from the inquiry , e.g. recommendations regarding: the establishment of a formal commission of investigation, on a formal statutory basis to look into any matters raised by this non-statutory inquiry.”

This Inquiry recommends there not be a Commission of Investigation to look into these matters and says so for the following reasons:

It is reasonable to suppose that, because of the change of personnel on its Executive Committee, meaningful reform is now under consideration within the O.C.I.

- Of the ordinary members of the Executive Committee elected at its Extraordinary General Meeting on the 9th February 2017 only one was on the outgoing Committee.
- The new President of the O.C.I., Sarah Keane, has given a written and oral contribution to the Inquiry, in which she strongly stated a commitment to reform.
- A commitment to reform is expressed in a letter dated the 16th March 2017 from Arthur Cox, solicitors to the O.C.I., the relevant parts of which are set out in the Tenth Appendix.
- Ciaran Gallagher, a new ordinary member elected to the Executive Committee, who contributed to the Inquiry, expressed an eager commitment to change.
- A palpable sense of openness is evident in the affairs of the O.C.I. since the election of the new Executive Committee in February 2017.

For all of these reasons this Inquiry advises that it would disproportionate in terms of the cost of time and money to establish a Commission of Investigation.