

# A Look At Competition Enforcers' 2026 World Cup Game Plan

By **Carsten Reichel and Will Conway** (October 17, 2023)

The 2026 FIFA World Cup — to be hosted jointly by the U.S., Canada and Mexico — will be the largest sports tournament ever, featuring 48 teams, 104 matches and 16 host cities.[1]

The influx of fans promises an economic hat trick for its North American hosts, generating benefits across the construction, entertainment and tourism industries.

FIFA executives are touring[2] each of the 16 host cities to assess existing infrastructure needs and refine operational plans. From renovating sports complexes and constructing tournament training sites to improving transportation and imagining each host city's unique fan festival, the tournament will produce ample contracting opportunities for private sector businesses, many supported[3] by tax breaks and public investments.

But just as FIFA and the World Cup host cities are preparing for kickoff, so, too, are competition regulators, who are ready to draw their red cards to ensure fair play and a level playing pitch.

Last month, the competition authorities of the U.S., Mexico and Canada launched a joint initiative[4] to police collusive schemes related to the tournament.

The U.S. Department of Justice's Antitrust Division will coordinate with Mexico's Federal Economic Competition Commission and Canada's Competition Bureau to better detect, deter and — if necessary — prosecute anticompetitive conduct that targets the procurement of the goods and services needed to host the tournament.

Among other cooperative endeavors, the three agencies have pledged that their partnership will share intelligence and utilize existing tools for international cooperation among competition enforcers.

## A Common Lineup, An Uncommon Formation

The constituent parts of the announced partnership are unexceptional. All three agencies long have prioritized enforcement actions against antitrust cartels to rig bids, fix prices or allocate markets, and laws in all three countries criminalize bid rigging, meaning that individuals can be imprisoned if found guilty of the crime.

Cooperation between international enforcers is also common. There is even ample precedent from other jurisdictions for investigations of anticompetitive behavior around large sporting events.

What is exceptional in the partnership, however, is the combination of these more common elements of competition enforcement in advance of any known wrongdoing related to the tournament.



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While both the Federal Economic Competition Commission[5] and the Competition Bureau[6] prioritize enforcement against bid-rigging conduct affecting public spending, the DOJ's commitment[7] to building its capacity to combat collusion affecting procurement has been the most notable and organized of the three agencies.

In 2019, the DOJ launched the Procurement Collusion Strike Force, an interagency effort to coordinate a national response to combat antitrust crimes and related offenses that affect procurement, grant and program funding at all levels of government: federal, state and local.

Since its creation, the PCSF[8] has become an increasingly larger focus of the DOJ's criminal enforcement efforts, with over 115 criminal investigations opened.

It has expanded its partnerships with law enforcement agencies,[9] assumed a broader mandate in terms of conduct investigated and prosecuted, and obtained more severe penalties over time.

In one recent PCSF matter, for instance, the DOJ obtained criminal penalties that included individual sentences of 45, 49 and 78 months against individuals convicted for their roles in a bid-rigging and bribery scheme involving California Department of Transportation improvement and repair contracts.[10]

PCSF investigators also have shown their willingness to follow the ball and charge offenses such as fraud — including in relation to so-called set-aside programs[11] — and bribery, either alongside or in place of antitrust counts, breaking away from any previous reticence by the DOJ's Antitrust Division to venture beyond the Sherman Act's field of play.

Moreover, PCSF leadership recently confirmed its focus on infrastructure projects involving public funds.[12]

The U.S.-Canada-Mexico partnership also is consistent with long-standing commitments to international cooperation in cartel enforcement.[13]

While this can — and does — include formal assistance with investigations, it more often focuses on informal cooperation such as sharing intelligence about possible illegal conduct, which can initiate a formal investigation in another jurisdiction, as the heads of the three agencies have pledged to do through their partnership.

Finally, the recent experiences of other competition enforcers in the wake of major global sporting events show that global sports events on the scale of the World Cup have been fertile ground for cartelists. Recently, the Japanese Fair Trade Commission investigated bid rigging related to the Tokyo 2020 Summer Olympics.

As a result of its investigation, earlier this year, the JFTC referred the matter to the Japanese public prosecutor and filed a criminal complaint against Japan's biggest advertising agency and five other companies for allegedly rigging bids to advertise and plan test events for the games.[14]

Likewise, World Cup hosts are no strangers to anticompetitive conduct. Following Brazil's turn hosting the 2014 World Cup, its Administrative Council for Economic Defense in 2016 reported antitrust violations related to stadium construction and identified at least five contracts relating to the construction and updating of facilities that were affected by a bid-rigging cartel.[15] The CADE later opened a formal investigation in July 2019.[16]

South Africa also uncovered bid rigging when it hosted the 2010 World Cup. The Competition Commission of South Africa last year reached a settlement between three construction companies and the City of Cape Town regarding allegations in a civil case of bid rigging on the construction of the city's Green Point Stadium.[17]

This followed 2013 settlements with 15 construction companies that agreed to pay fines totaling approximately \$70 million for their roles in rigging tenders by submitting intentionally high or knowingly bogus bids.

Looking ahead, the U.S.-Canada-Mexico partnership could set a precedent for major international sporting events moving forward, encouraging future host countries to take similar proactive measures and — when events are jointly hosted by multiple countries — demonstrating how competition enforcers in those countries can work together to amplify their own domestic enforcement.

The next World Cup is a prime candidate for this sort of cooperation. In October 2023, FIFA awarded the 2030 tournament[18] to six different countries, including Spain and Portugal, where the local competition enforcers already have made public commitments to coordinated enforcement against collusion in public procurement.[19]

## **Takeaways**

Businesses pursuing opportunities to benefit from the billions of dollars that will be spent incident to the 2026 World Cup should be aware of these elevated enforcement risks.

Like video assistant referee officials, the competition agencies in the 2026 host countries have committed to watching the tournament and stand ready to correct any clear and obvious error with regard to the use of the host cities' and other public funds.

Companies pursuing opportunities related to the tournament should not only take note but also take simple steps to avoid potentially costly misconduct.

These include:

- Ensuring that bid teams for any World Cup-related projects — in any of the host countries — understand the gravity of antitrust and related violations;
- Establishing compliance programs that train individuals at all levels to identify and report potential red flags;
- Implementing internal systems that allow for the quick reporting of any problematic conduct to legal and compliance professionals. The U.S., Canada and Mexico all have antitrust leniency programs that require fast action and self-reporting to obtain maximum benefits in the event of an antitrust violation;

- Paying close attention and applying greater scrutiny to any proposals for joint bidding or teaming arrangements;
- Considering the use of more sophisticated data analytics to alert companies if any bidding anomalies are detected; and
- Minimizing the use by members of the company's bid team personnel of ephemeral messaging apps, which may hinder the ability of counsel to conduct effective internal audits to proactively detect and address any potential problems.[20]

Preparation for the 2026 World Cup is fully underway, and for businesses looking to compete for the billions of dollars in expected economic activity, good compliance should be the goal and can assist to avoid a potentially messy situation.

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