

# City face up to uncertain future as Thaksin awaits verdict

Manchester City's directors should have seen the risk of selling to a politician facing corruption charges

By David Conn

When the directors of Manchester City were preparing to sell to Thaksin Shinawatra a year ago, it was difficult to glean from them any sense that they might be delivering the self-styled "true" Manchester club into catastrophic danger. Leaving aside any moral consideration of the extra-judicial murders alleged against the former Thai prime minister's regime by Amnesty International and Human Rights Watch - which he denies - Thaksin's takeover was fraught with some very practical difficulties.

He was living in exile in London having been deposed in a military coup in September 2006. That had followed a public outcry in Thailand at reports that the Shinawatra family had paid almost no tax when they sold the family telecommunications business, Shin Corp, for \$2.1bn to a Singaporean company, Temasek. The new military government had established a commission, the Assets Examination Committee, specifically to investigate Thaksin and his family, how they had amassed their fortune while he was the country's prime minister, and to recommend criminal charges if any corruption was suspected.

In June last year, while Thaksin was deep in negotiations to buy City, he was charged by Thai prosecutors with two corruption offences, and his money in Thailand, reported to be £800m, was frozen. Yet still City's directors pressed on. On June 26, John Wardle, City's chairman, wrote to all shareholders - many of them lifelong fans holding a few shares - saying the directors "unanimously recommend" that they should all sell to Thaksin.

Thaksin was described as "a passionate follower of English football," who had "received accolades for being businessman of the year in Thailand and abroad". He had promised that after taking City over by buying all the shares for a total £21.6m, and repaying Wardle and his fellow major shareholder David Makin £17.5m of their outstanding loans, Thaksin's company would "commit further significant sums" to buy players and invest in City's academy.

Just a paragraph was devoted to the remarkable circumstance that Manchester City was being sold to a man with momentous legal and political troubles hanging over his head. It acknowledged that the Assets Examination Committee had frozen Thaksin's bank accounts and assets in Thailand "in relation to alleged conflicts of interest, corruption and related offences". However, all was apparently well, because the allegations were "entirely refuted" and he would be "vigorously defending" them.

Wardle and Makin had agreed to sell their 29.9% of City for £6.45m and all the other directors had committed to selling their shares too. The directors apparently received legal advice that if Thaksin had the money to buy the shares they had to recommend him to shareholders because there was no other formal bid. The former City

player Ray Ranson had offered the same price, 40p per share, two months earlier, but his bid was not pursued.

As shareholders, the directors could have refused to sell, however, and Wardle is described as having agonised before agreeing to the Thaksin deal. There was no public indication that the human-rights allegations weighed too heavily on anybody's mind at Eastlands. The corruption charges, the money frozen in Thailand and the potential impact on the club were considered, but they seemed far-away and complicated issues. Thaksin argued, as he still does, that the proceedings were politically motivated, and Wardle was persuaded that once elections were held in Thailand and a democratic government restored, Thaksin would be in the clear.

The single most persuasive factor of all, of course, was that City's directors believed they had bagged one of the international billionaires then cheerily buying Premier League football clubs. Thaksin had money (even if much of it was frozen), and was promising to buy players for City, so they sold the club to the man despite his combustible baggage, and hoped for the best.

Nobody at City then wanted to talk about Thaksin's difficulties. Wardle offered no public explanation of his reasoning. The official line was that the corruption charges were being brought under a military government and so had no validity. Within days Sven-Goran Eriksson was the manager, Elano,

Martin Petrov and Vedran Corluka were signed, City won their first three games including a 1-0 victory over Manchester United, and the sun shone at Eastlands.

With some exceptions, the fans were oblivious, or unconcerned, about the controversies attached to the new owner. Thousands of them had accepted the invitation to Albert Square for a free Thai buffet, and Thaksin was given the fond nickname Frank (Shinawatra - Sinatra - geddit?). At the time, the top two YouTube clips for Thaksin were of anti-Thaksin demonstrations in Bangkok just before the coup, and the love-in for him in Manchester.

Now, it is clear, the course of that love has not run so smooth for City, Thaksin, Wardle or the supporters. Elections were held in Thailand last December; the PPP, a party sympathetic to Thaksin, was elected, but that did not stop the legal authorities' prosecution of the Shinawatras. Last month Thaksin's wife, Pojaman, was convicted of tax evasion and sentenced to three years in prison. The verdict in the first case against Thaksin is expected on September 17, but rather than stay and face it, he and Pojaman have fled back to London. Thai prosecutors this week asked the supreme court to seize ownership of the frozen money, arguing it was corruptly earned. He still denies all charges.

Even allowing that Thaksin's human-rights record, the corruption charges against him and his frozen assets were not considered by City's directors and major shareholders as

barriers to him becoming the club's new owner, we now know that the wads of his money they hoped for never materialised. Well-placed sources say Thaksin did loan City money to support last summer's flood of signings - although the headline £47m in transfer fees was not paid, but around £12m in initial payments. City's wage bill has climbed and further instalments are due on players, but City's new chairman, Garry Cook, has acknowledged that Thaksin is not funding the club now. Last month City took out a £25m loan facility with Standard Bank, mortgaged on the club's Premier League TV payments, to cover cash shortfalls. Wardle himself is understood to have loaned the club £2m three times in the last year - not what he expected to be doing when he sold City to Thaksin last June. All of the loans are understood to have been repaid and Cook is clear that City are not in financial difficulties.

The Thaksin takeover was allowed according to the Premier League's rules; its "fit and proper person test" bars only convicted criminals, not people subject to criminal investigations or even prosecution. It was, though, open to Wardle and the other major shareholders not to sell to Thaksin because of all the controversy and uncertainty swirling round him.

If it seems bizarre that Manchester City, the club of Bert Trautmann, Colin Bell and Blue Moon, is owned by a fugitive former Thai prime minister facing corruption charges and seizure of assets, it is more bizarre still that

this was all known and quite predictable, when the club's then owners recommended him and accepted his money, with their eyes wide open.

## Testing times

City's chairman Garry Cook said last week that Thaksin may step down from the board if he is considered too much of an embarrassment, but still retain his ownership of the club. However the Premier League's "fit and proper person test", which bars convicted criminals from being directors, also applies to 30% shareholders. City is owned by a holding company, UK Sports Investment Holdings, in which Thaksin has a small stake, with the majority held by his son and daughter, Panthongtae and Pintongta. There are also 41,667 preference shares held by a Bangkok registered property company owned by Thaksin and his immediate family. The Premier League says it will be guided by the government as to the validity of any conviction if Thaksin is found guilty on September 17. If he is barred under the test from owning 30% of City, the Premier League may then be faced with unpicking the detail of Shinawatra's ownership, and forcing him to sell his holding.



Thaksin

## Bilic stands by as Curbishley fights for future at Upton Park

Alan Curbishley is under increasing pressure at West Ham United, with the Croatia coach, Slaven Bilic, understood to be interested in succeeding him at Upton Park should he be sacked. No final decision has been taken on whether to dispense with Curbishley, and he may yet salvage his career with a string of positive results, but there is a growing sense of frustration over what is perceived to be his negative attitude, given the apparent strength of his squad.

Part of the reason for the growing scrutiny over Curbishley is a lack of knowledge of the foreign transfer market. He has himself admitted to a weakness in this area in the past, which helps to explain why West Ham have employed the Italian Gianluca Nani as the club's technical director.

The squad should be enhanced further today with another Nani recruit as West Ham hope to announce the signing of the powerful midfielder Stephen Appiah from Fenerbahce for £5m, although they were last night dealing with late interest from the Ghanaian's former club Juventus. Two more Nani signings are expected before the transfer window closes at midnight on Monday - a striker and a defender - with the leading candidates including Henrik Larsson and Pegguy Luyindula for the attacking role and Gaël Givet in defence. The latter two would be season-long loans with an option to buy.

West Ham believe the arrivals would complete one of the most impressive squads in the Premier League, including a strong spine to the team and several experienced internationals, and would take the number of players with first-team squad numbers to 35. That includes eight young players

but, with an accent on youth, all such as Freddie Sears and James Tomkins have bright first-team futures. Despite that there is a hysteria now surrounding the club and fans are chanting that they want Curbishley out while bookmakers have made him the favourite to be the first Premier League manager sacked. Those chants reached a crescendo on Wednesday evening during the Carling Cup encounter with Macclesfield Town.

The League Two club were beaten only after being reduced to 10 men and the tie going into extra time at Upton Park, which was barely a third full for the fixture. After the match Curbishley was in defiant mood, declaring that he had the full backing of the board and said he was "disappointed" over the speculation surrounding his future.

Much of the hysteria has been blamed on Curbishley and his own behaviour - not least the way he handled the £7m departure of Anton Ferdinand

to Sunderland, suggesting the sale was beyond his control. However, it appears he accepted that losing the defender, who had turned down the offer of a five-year contract, would not hurt the first team. Beyond that there is the questioning of tactics, his coaching methods and, also, his demeanour. It has been a difficult summer at West Ham which, given that they have appointed Nani, and overhauled their infra-structure should not have been the case. The medical department has been revamped to deal with the chronic injury crisis at the club while plans for a new training ground are progressing. Curbishley, who has one more season after this one on his contract having succeeded Alan Pardew in 2006, would be eligible for a pay-off of around £1m if he is sacked.

If West Ham were to lose against Blackburn Rovers at home tomorrow, and produce another poor performance, then Curbishley's position

could become untenable even this early into the season. Curbishley will be relieved to know that Craig Bellamy, who has been the subject of a rebuffed bid by Manchester City, is fit and is expected to partner Dean Ashton in attack which increases the chances of securing a victory. West Ham's next match after tomorrow is away to newly promoted West Bromwich Albion and, at present, Curbishley should be in charge for that game, although the situation is now, according to sources, being reviewed on a match-by-match basis.

West Ham have made no secret that, after the spending spree overseen by the former chairman Eggert Magnusson, and wages he offered to players, they have to be more fiscally aware. The owner and chairman, Bjorgolfur Gudmundsson, has demanded more financial accountability and a balancing of the books.

If Curbishley is sacked, Bilic would be the outstanding candidate to replace him, although West Ham would undoubtedly consider other options as they search for a more charismatic, dynamic manager. According to sources in Croatia, the 39-year-old is closely following developments at West Ham and would want to take the job if it was offered to him even though, before this summer's European Championship, he signed a new two-year deal to coach his country for the World Cup campaign.

There are, however, believed to be get-out clauses in his contract and the compensation payable to the Croatian Football Association would be minimal for the former defender, who became a cult hero at West Ham even though he only made 48 appearances, in 1996-97, before joining Everton. Bilic insisted, however, that he did not move before West Ham were safe from relegation.



Curbishley