

Leicester City

# Leicester City owner King Power to face £327m corruption charges in Thailand

- Judge rules criminal allegations presented in July should go ahead
- King Power denies shortchanging Thai government over duty-free sales

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David Conn and Phakarat Ryn Jirenuwat in Bangkok

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King Power bought Leicester City for a reported £39m when the club was in the Championship in 2010. Photograph: Craig Mercer/CameraSport via Getty Images

The company which owns Leicester City and funded their rise to become the 2015-16 Premier League champions is to face multimillion-pound corruption charges in Thailand. A judge at the central court for corruption and misconduct cases ruled at a hearing on Monday that criminal allegations presented in July should go ahead against King Power, the cash-rich company owned and run by the Leicester chairman, Vichai Srivaddhanaprabha, and his son Aiyawatt.

King Power is accused of having corruptly short-changed the Thai government of 14bn baht (£327m), its agreed share from the company's lucrative duty-free monopoly at Bangkok's Suvarnabhumi airport.



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The lawsuit, filed by Charnchai Issarasarak, the former deputy chairman of a government anti-corruption subcommittee, alleges King Power and one of its executives colluded with airport employees to pay the government only a 3% slice of the duty-free revenues. The original 2006 grant to King Power of the franchise, at one of the world's busiest airports, required 15% of the income to be paid to the government, according to the charges.

King Power said in July that if the case was brought to trial it would be vigorously defended. The judge has accepted that it should proceed against 14 Airport of Thailand officials, three King Power companies and one company official. The chief operating officer of King Power International, also the group vice-chairman, Sombat Dechapanichkul, is the King Power executive charged personally. Vichai and Aiyawatt Srivaddhanaprabha are not personally named as defendants.

In her ruling the judge said: "From the examination of the lawsuit the court sees the case is within the authority of the central court for corruption and misconduct case, and the lawsuit is in accordance with ... the procedures for corruption and malfeasance case act."

King Power is understood to have filed a libel lawsuit against Charnchai in February this year, claiming defamation in statements he made alleging corruption before his criminal petition against the company reached the court. Charnchai could not be reached for comment.

King Power bought Leicester City for a reported £39m when the club were in the Championship in 2010, then loaned them more than £100m to sign players and bankroll wages and losses, an investment that paid off spectacularly when they surprisingly won the Premier League title 18 months ago.

Vichai Srivaddhanaprabha established King Power in 1989 with one small shop in Bangkok, then gained access to major wealth when his company was granted the exclusive franchise for duty-free sales at Suvarnabhumi airport. At the time the prime minister was Thaksin Shinawatra, who was ousted in a military coup soon afterwards and fled the country. Thaksin bought Manchester City in 2007 then sold them after a year to Sheikh Mansour bin Zayed al-Nahyan of the Abu Dhabi ruling family. In Thailand the military, Thaksin's bitter rival, remain in charge.

The prosecution and defence in the criminal case will now submit further evidence and lists of witnesses to be heard, with suggestions the case may come to trial in March. In the original lawsuit, Charnchai listed the current prime minister of Thailand, General Prayuth Chan-ocha, as the second witness.

King Power responded to the court's decision with a statement from Aiyawatt Srivaddhanaprabha as the chief executive of the company and Leicester City vice-chairman: "The allegations in question have yet to be accepted by the court and are categorically denied. King Power has always followed and been absolutely committed to the highest standards in proper and ethical business practice. We are proud of our company's good name and honest reputation and will fight rigorously any attempts to discredit them."

It is not clear whether the case would have any impact on Leicester City if it proceeds and is proven. Premier League rules prohibit people from owning more than 30% or being a director of a club if they have been convicted of a criminal offence of dishonesty, but there is no precedent for companies involved in club ownership, rather than individuals, being charged.

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