

# The Formula 1 formula

By Keith Chapple SC

What does a little Formula 1 'industrial espionage' cost these days? If you are McLaren and you try to find out Ferrari's secrets the price is \$US100,000,000. The press tells us that it is the largest fine ever imposed in sporting history – and there is to be no appeal.

Details of what the 2007 Formula 1 world champion, Ferrari's Kimi Raikkonen, calls 'the spy story' appear in the recent 'decision' of the World Motor Sport Council in *Re: Vodafone McLaren Mercedes: (2007) 1 WMSC 1*.

Earlier this year the Ferrari Formula 1 car racing team, or Scuderia Ferrari Marlboro to give it its full title, notified the motor sport's governing body, the Federation Internationale de L'Automobile (the FIA) of its concern that unauthorised use may have been made of some of its confidential information. Apparently proceedings in the High Court of England and Wales between Ferrari and the former chief designer of McLaren, Michael Coughlan, had revealed that a 'dossier' of hundreds of pages of confidential Ferrari data was kept at Coughlan's home.

At first McLaren tried to argue that it was all the fault of a 'rogue employee' namely Coughlan and that McLaren had neither used or benefited from the Ferrari details. The WMSC thought otherwise and charged them with a breach of the International Sporting Code.

In an inspired investigative tactic the WMSC offered the three McLaren Formula 1 drivers the motor racing equivalent of an indemnity for any information they might have. This led to a bundle of e-mails being produced which showed that Ferrari information was circulated by Coughlan within McLaren. The e-mails were particularly specific. They dealt with all the obvious aspects of Formula 1 motor car design and performance. For example in March 2007 one driver e-mailed Coughlan in these terms:

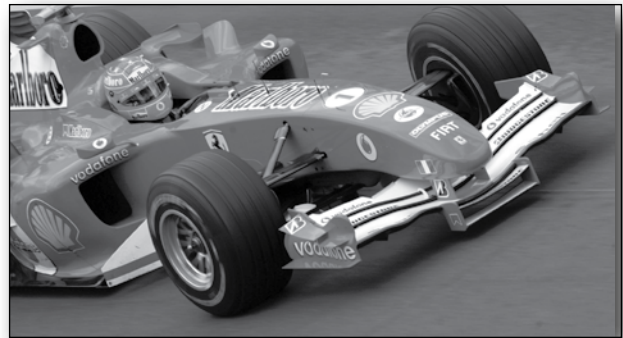
Hi Mike, do you know the Red Car's weight distribution? It would be important for us to know so that we could try it in the simulator ....

p.s. I will be in the simulator tomorrow.

Flexible wing and aero balance details were circulated and information on tyre gas, braking system and stopping strategy (presumably stepping on the brake pedal) were also passed around. The Italian Police tracked down evidence of communications between Coughlan and a Ferrari employee who seemed to be the source of the information and discovered increasing contacts during the lead up to the Grands Prix in Australia, Malaysia, Bahrain and Spain, the latter being run as recently as May, 2007.

In the end the nature and extent of the contact between Coughlan and the Ferrari employee could not be definitively established but the WMSC was satisfied that a breach of Article 151(c) of the International Sporting Code had occurred, in particular that McLaren had unauthorised possession of documents and confidential information belonging to Ferrari namely details that could be used for designing, engineering, building and running a Formula 1 racing car.

The penalty imposed of \$US100,000,000 was in addition to a rather complicated additional penalty relating to points loss in the 2007 Constructors' Championship. The company was allowed three



Ferrari's Michael Schumacher during practice. 5th March 2005. Picture by Vince Caligiuri / Fairfaxphotos

months to pay. Because of their cooperation, no penalty was imposed on the McLaren drivers and there is talk of nominating them for the Nobel Prize for sport.

Also, the WMSC instructed the FIA technical department to check out McLaren's 2008 plans to make sure no Ferrari details had been incorporated. Rather sportingly the FIA President Max Mosley reminded McLaren of their right to appeal, a right we were told recently they have declined to exercise.

To add insult to injury Ferrari now has the new World Champion, Raikkonen. He said that resolving the business with McLaren would help the Red team 'rebuild' after the retirement of Michael Schumacher last year (who had won the World Championship about 800 times in a row).

The whole case has been a timely reminder to the masses of people who own Formula 1 racing car teams to abide by the rules or suffer the consequences. And what happened to the \$US100,000,000 fine paid over by McLaren to the WMSC, I hear you ask?

I would like to think that it was immediately raced over to Darfur or some other needy place to at least help a few people eat – but I doubt it.