

ESSA Response: UK Government's A New Strategy for Sport: Consultation Paper

Sports Betting Integrity (page 32 of the consultation)

1. ESSA welcomes the UK Government's acknowledgment of the importance of good governance in sport as a means of protecting the integrity of sport from corruption, including match-fixing, in its national sports strategy consultation and the ability to comment further on this. ESSA has therefore provided its views on the impact of good governance practices in sport and on ensuring that integrity, transparency and the fight against corruption in sport remains a top priority.
2. Concerned regulated bookmakers created ESSA in 2005 to monitor betting markets and alert sporting bodies and regulators of suspicious betting patterns. ESSA currently represents the majority of the major regulated betting companies, many licensed by the British Gambling Commission. The organisation's principal goal is to protect sports, consumers and betting operators from potential fraud caused by the unfair manipulation sporting events and associated betting. ESSA helps to combat this with evidence-based intelligence, principally obtained from its early warning system, which it provides to sporting bodies and regulators (including the British Gambling Commission).
3. Since its inception, ESSA has called for measures to be adopted to address betting related match-fixing which are necessary, proportionate, effective and evidence-based. The issue of improving good governance in sport as an integrity measure has been a central part of that approach but one which, unfortunately, until relatively recently has been overlooked by many regulatory bodies and indeed by many sports themselves.
4. Many of those same sports, both national and international, have however been quick to incorrectly identify regulated betting operators as the cause of match-fixing whilst disregarding the principal issue that fixing is a product of sports' own personnel (players, referees, administrators) either alone, or colluding with criminals, seeking to defraud betting operators and consumers for financial gain. There have been a number of examples of this in the UK, such as the Stephen Lee snooker and Mervyn Westfield Essex cricketer cases, as well as numerous other examples abroad, most notably demonstrated in the Italian and Turkish football match-fixing scandals.
5. It is paramount that policymakers work with sports to ensure that robust internal governance and fiscal procedures are in place. The establishment and enforcement of rules and regulations by sports bodies is a key deterrent in the fight against match-fixing. This has been highlighted in a number of match-fixing policy documents, notably by the European Commission and Council of Europe. Poor sports governance invariably contributes to the conditions that facilitate match-fixing.
6. The enforcement of clear rules and sanctions regarding betting are therefore vitally important. Sound financial management, risk assessment plans and strategies are also crucial to prevent fraud and safeguard integrity. Inadequate financial practices within sport is a particularly important integrity issue. The global players union, FIFPro, reported in 2012

that organised crime is utilising the financial vulnerabilities of players due to poor sports governance and fiscal mismanagement.

7. Complementary to ensuring robust sports governance is the education of players and sports officials on the dangers of match-fixing. Importantly, this should specifically cover the methods adopted by corrupters to try and draw sportspeople into this illicit activity. Again, a number of policy documents have identified this as a key preventative activity, in particular the Council of Europe's Convention on the Manipulation of Sports Competitions, UNESCO's MINEPS V Declaration of Berlin, the European Commission's Communication on Online Gambling and the IOC's International Forum for Sports Integrity recommendations.
8. Some sports have already introduced specific betting education programmes, sometimes in partnership with betting companies. The European Commission also has provided financial support for education initiatives. Education has a major part to play when it comes to minimising the risks to the integrity of sporting events. It is therefore recommended that, as a minimum, betting integrity forms a section of every sport's standard training programme. Policymakers should strongly encourage this approach and provide what assistance they can in this area.
9. It is also important that national legislation is able to adequately cater for and readily adapt to new commercial developments. Modern technological advances have opened new global channels of interaction between businesses and consumers; the betting and sports sectors are no different in that regard. The adoption of legislation providing the regulatory authority with the power to determine, amend and fully enforce betting integrity licence conditions is thus paramount.
10. The UK was one of the first jurisdictions to implement such legislation, overseen by the British Gambling Commission. This provides a clear regulatory framework, but is flexible enough to adapt quickly to changing circumstances. Complementary to this approach is the introduction of mitigating measures to address betting-related corruption of sporting events, along with a suitable criminal offence. This may include the power of prosecution, ability to close betting markets and to void specific bets in cases of suspicious betting.
11. These measures can act both as an important deterrent and an effective means of preventing and punishing corrupt activity. Such provisions have been employed to positive effect in the UK and have resulted in successful prosecutions using offences under gambling legislation and bribery laws. A small number of countries, such as Russia and Japan, have also enacted specific match-fixing offences. Whether such explicit legislation and offence is necessary is an issue for each government to determine within its criminal justice framework. However, what is vitally important is that suitably robust sanctions are available and applied consistently and with due vigour.
12. ESSA and its members have long understood the need for an international and cross-sector approach to addressing betting-related match-fixing. It is imperative that policymakers recognise that whilst legislation and regulatory policy may remain a national matter, transnational and cross-sector cooperation is essential. Such collaboration forms an important part of the Council of Europe's Match-Fixing Convention, the IOC's betting integrity working groups and the European Commission's discussions on betting integrity. All

of these processes also have a common theme in that they involve every major stakeholder, including betting operators. This is essential if practical statutory and non-statutory solutions are to be developed and if they are to have a real impact.

13. The recently released UK Sports Betting integrity Action Plan is an approach that incorporates much of the above and is further evidence of a welcome integrity commitment across stakeholders within the UK, and one which importantly also commits itself to working with international partners. It includes a comprehensive list of preventative actions that each stakeholder is committed to meeting such as player education and high-level governance in sport, effective risk management for betting operators and thorough investigative and prosecution practices employed by public authorities. As such it constitutes a potential blueprint of good practice and effective detection and enforcement measures to protect sporting events, consumers and regulated betting operators from the negative impact of betting related match-fixing. Enforcement however remains a key issue regarding good governance practices.
14. Regulated betting operators licensed by the British Gambling Commission provide important information to the authorities regarding suspicious betting. Other organisations, including ESSA which also has an information sharing agreement with the Commission and sports bodies, also provide important information. To be effective, it is vital that self-regulating sports bodies also adhere to these provisions and commit to the highest levels of governance, financial and integrity practices. The UK Government has an important role to play in ensuring that this happens and to holding these self-regulatory bodies to account, albeit how this is enforced is open to question.
15. This is an issue which the UK Government may wish to consider further and ensure that there is an overseeing statutory body, like the British Gambling Commission, that can fully establish that sports bodies are meeting the necessary integrity and governance requirements, as it can with regulated betting operators. To underpin this, an approach promoted by the Council of Europe in its Convention on the Manipulation of Sports Competitions (Article 8), requires signatories to: “adopt such legislative or other measures as may be necessary to ensure appropriate transparency regarding the funding of sports organisations that are financially supported by the Party.”
16. The Convention (which the UK has yet to sign or ratify) also promotes that States: “consider withholding financial support or inviting sports organisations to withhold financial support from competition stakeholders sanctioned for manipulating sports competitions, for the duration of the sanction” and “withhold some or all financial or other sport-related support from any sports organisations that do not effectively apply regulations for combating manipulation of sports competitions.” The UK will need to consider how it will fully enforce good governance practices.

CONTACT INFORMATION

Khalid Ali,
Secretary General
Sports Betting Integrity
ka@eu-ssa.org
www.eu-ssa.org