

# IS SPORTS WAGERING A GOOD FIT FOR COUNTRIES WITH REGULATED CASINO INDUSTRIES?

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**Abstract:** Sports and casino wagering have common legal elements in that both involve persons entering a wagering contract whereby they agree to risk money for the opportunity to win prizes based on the outcome of an uncertain event. These common contractual elements may appear to warrant the same governmental policy toward each activity, particularly where government permits but regulates casino gaming. Casinos, however, pose very different regulatory considerations than sports wagering. A primary policy goal of the regulation of casino gaming is to assure the honesty and fairness of the games offered by licensed casinos. Regulators accomplish this goal by controlling the activities on the floor of the casino through means such as technical standards for games that assure randomness, review and approval of games before the casino can offer them to the public, auditing of game results, enforcement of the rules to ensure honest operations, and licensing of game manufacturers and operators. In contrast, the uncertain events that determine the outcome of a sports wagering contract do not occur in the casino or typically the jurisdiction where the casino is located. As a result, the integrity of the sporting event is outside the control of the government regulators. Therefore, permitting sports wagering poses a risk to jurisdictions reliant on a casino industry because a sports wagering scandal involving its regulated industry could negatively impact consumer confidence in the casino industry. A significant question is whether the jurisdiction should espouse sports wagering where the government has minimal control over the honesty of the activity including the possibility of match-fixing and other forms of competition manipulation. This article explores the nature of that risk including



sports corruption emanating from the massive illegal sports wagering markets in Asia, Central America and the Caribbean and possible domestic and international regulatory measures that the casino jurisdiction can do to mitigate that risk if it decides to permit and regulate sports wagering.

**Keywords:** Sports betting; casino wagering; sports integrity; match-fixing; competition manipulation; casino regulation; insider trading; organized crime.

### Introduction

The creation of a casino industry most often starts from a common point. Gambling is illegal, but the government decides to craft exemptions to permit legal casinos because it wants to achieve specific public goals. These can include social goals like protecting the public against dishonest games or assuring that players get paid if they win. Often the goals are financially driven. The government may look for casinos to create taxes, redevelop urban areas, create jobs or boost tourism. In this regard, the government may be an equal partner with the casino owners.

Regardless of whether the government is regulating casinos to protect the bettor, maximize taxes, or create jobs, a standard policy goal of regulatory systems is to ensure the honesty of the games offered to the public.<sup>1</sup> Honesty refers to whether the casino operator offers games whose determinative outcomes are random.<sup>2</sup> This could be the shuffle of the cards in blackjack, the roll of the dice

1 Effective regulation results from careful planning that considers: (1) the policy goals toward gaming industry as a whole (i.e., retaining public confidence and industry integrity while allowing the global industry to flourish); (2) the components of a robust system of regulation in light of a jurisdiction's cultural and legal environment (i.e., particular concerns of the jurisdiction's population and government; budgetary and expertise limitations), and (3) national and international best practices in the gaming industry.

2 Randomness in gaming is the observed unpredictability and absence of pattern in a set of elements or events that have certain probabilities of occurrence. The concept of random is elusive and its precise meaning has long been debated among experts in the fields of probability, statistics and the philosophical sciences. Some dictionaries might define random in a more general sense while others will provide a meaning in a more specific statistical sense. *Compare* The American Heritage Dictionary 1025 (2d college ed. 1991) (defining random as “[h]aving no specific pattern or objective; haphazard”) and The Concise Oxford Dictionary 1185 (10th ed. 1999) (defining random as “made, done, or happening without...conscious decision”) with Webster's II New College Dictionary 916 (2001) (defining random as “an event having a relative frequency of occurrence that approaches a stable limit as the number of observations of the event increases to infinity”) and The American Heritage Dictionary of the English Language (5th ed. 2013), available at <http://ahdictionary.com/word/search.html?q=random&submit.x=52&submit.y=13> (defining random as “[o]f or relating to an event in which all outcomes are equally likely”).

in craps or the random number generator in an electronic gaming machine. For example, an electronic gaming machine is honest if the outcome of each play is not predetermined or influenced beyond the established house advantage (or player's skill) in the gaming operator's or another player's favor.

Casino patrons are susceptible to fraud because an unscrupulous casino operator can use methods to cheat the players by predetermining or influencing what is supposed to be a random result to the casino's advantage. For example, a casino could use "loaded dice" that regardless of how a player tosses them will favor numbers that advantage the casino. Cheating is a form of consumer fraud that governments should provide criminal sanctions.

Casino fraud also can have significant economic consequences because gamblers that believe the casinos are cheating are unlikely to play there or in the jurisdiction, which impacts taxes, jobs and the general economy. As a result, the public policy statements of most casino jurisdictions emphasize the necessity of regulation ensuring the honesty of the casino games. For example, the public policy of Nevada is quite explicit as to its goals. Nevada's policy statement includes "The continued growth and success of gaming is dependent upon public confidence and trust that licensed gaming and the manufacture, sale and distribution of gaming devices and associated equipment are conducted *honestly* ... and that gaming is free from criminal and corruptive elements." While subtle, the statement focuses on public confidence and trust as opposed to safeguarding the honesty of the games for consumer protection purposes. Public confidence in the honesty of the games is the key to continued patronage. The best way to ensure that the public perceives the games as honest is through regulation mandating the games to function as such. With this clear objective, the government looks to create a controlled casino environment that best meets its policy goals including ensuring honesty.

Sports and casino wagering share similar aspects. Legally, all wagers are contracts; the price (amount won or lost) is honored according to the terms of the contract when the bettor and a bookmaker enter it. The distinctive part of a wagering contract is that promise of performance is based on a future contingent event (the random outcome of the casino game or the result of a skilled based sports competition). In both cases, the outcome is not under the control of the casino or sports book, on the one hand, or the bettor, on the other. After the result is made known, whether the sports book or the casino must fulfill its promise to pay the bettor is dependent on the terms of the bet (e.g., the displayed odds for winning a particular event) and the outcome of that event, (i.e., did the casino or the player win the bet).

The difference between casino wagering contracts and sports wagering contracts is that the regulators tightly control the future contingent event in casino

contracts. Governments that regulate casino gaming implement multiple faceted regulatory schemes to assure the honesty of casino games that typically feature among other things: (1) *licensing* of manufacturers and operators of the games, (2) *technical standards* for all games and gaming devices before being offered to the public, (3) *extensive testing* of all games and gaming devices before a casino offers them to the public, (4) *field observation and review* of games and gaming devices in operation in the field, (5) *periodic audit* and review of games and gaming devices to ensure that they are operating within expected range for honest games, and (6) *internal control requirements* that assist in assuring casinos conduct them honestly.

In contrast to the highly regulated environment designed to ensure the honesty (i.e., the randomness of the future contingent event in the casino), regulators of sportsbooks have little control over the integrity of the sporting events that are the subject of the wagers. Ensuring the honesty of sports events is an international challenge. The integrity of the outcome is dependent on global interactions that impact the venality of athletes, team officials, league officials, referees and others that can corrupt the game results. Sports corruption, such as match-fixing, often involves five steps. The first step is the *introduction*, which requires the ability to communicate directly or indirectly with the competitors, or referees to initiate the bribe or blackmail. The corruptor in one country most often hires runners in another country to serve as the intermediary. Runners are often former athletes that have access to and the respect of the athletes. The second step is the *setup*, where the runner learns the weaknesses of players and reports these to the corruptor, who determines the best offer. The third step is the *fix*, where the corruptor analyzes the wagering markets and determine the approach to wagering the maximize profits on the predetermined outcome without having an unacceptable risk of detection. The fourth step is the *performance*, where the competitor (or referee) executes the acts in the sporting event necessary for the corruptor to realize his goals, i.e., win the wagers. This act can be to “tank” or intentionally lose the game, to underperform to determine the result of a point spread wager or in the case of the referee to make or not make calls in an undetectable way to achieve the desired result. The last step is the *payoff*. This can be a payment or a series of payments with some upfront when the corrupt offer is accepted.

Having the ability to corrupt athletes, however, is worthless unless the corruptor can place wagers of the type and size necessary to earn significant returns on their money and for their efforts and risks. Corruptors, such as match fixers, need access to a vast liquid betting market(s) that can handle these high levels of wagering. As the volume of sporting bets increases globally so does the opportunity for



competition manipulation for three significant reasons.<sup>3</sup> First, more liquidity markets allow corruptors to bet larger volumes and increase the profitability of competition manipulation.<sup>4</sup> Second, corruptors can realize greater returns with increased liquidity because they can wager more without causing the line to change or odds to change to their disadvantage.<sup>5</sup> Third, high betting volume in the liquid markets masks irregular betting patterns.<sup>6</sup> As the betting volume increases on minor games with lower paid or otherwise vulnerable athletes, they become more attractive to corruptors both because they can now profit from the fix and can more easily bribe the participants.<sup>7</sup>

Globalization has resulted in wagering operations locating to the jurisdictions in Asia and elsewhere with the least oversight and most favorable tax structure.<sup>78</sup> Distinguishing between the *handle* and *gross gaming win* is essential in understanding the various estimates of sports betting. The handle refers to the total amount of all wagers placed by bettors. In contrast, gross gaming win is the amount retained by the bookmakers after paying out all winning wagers. Estimates put the size of the global wagering market between \$3 and \$8 trillion *in the handle*.<sup>89</sup> The unregulated sports wagering sector contributes significantly larger amounts than the regulated sector to these figures.<sup>9</sup> In 2017, the gross win

3 Forrest D., McHale I. & McAuley K. (2008), *supra* note 6.

4 *Id.*

5 *Id.*

6 Forrest, David, *supra* note 1.

7 Bozkurt, Emine. "Match fixing and fraud in sport: Putting the pieces together." (2012)..

8 <http://www.dailymail.co.uk/wires/afp/article-3040540/Global-sports-gambling-worth-3-trillion.html>. The exact size of the illegal sports wagering industry in the United States is unknown. No studies support the figures often quoted to be a \$400 billion handle in the underground market. Regardless of methodology or accuracy, however, the market is undeniably large. Eilers Research estimated the market handle (total amount wagered) at \$160.3 billion, using the United Kingdom as a benchmark and then adjusting for other variables. *Daily fantasy sports: The future of U.S. sports wagering?* (2014, October 16). Retrieved from <http://eilersresearch.com/services/market-research/> In countries where sports wagering is legal, the market share averages 13.8% of all revenues from legal gambling but is as high as 39.1% in the United Kingdom and 16% in Australia. If the U.S. underground market is 14% of the total legal gambling market, then its gross gaming revenue would be about \$14 billion, and its handle would be nearly \$280 billion. One commentator noted: "Ultimately, we do not need to know the exact dollar amount that Americans wager each year... Even if it were simply \$100 billion rather than \$400 billion, it would still be a huge market." Weissmann, J. (2014, November 21). *Big bucks or bogus betting baloney?* Retrieved from [http://www.slate.com/articles/business/moneybox/2014/11/adam\\_silver\\_says\\_there\\_s\\_400\\_billion\\_per\\_year\\_of\\_illegal\\_sports\\_betting.html](http://www.slate.com/articles/business/moneybox/2014/11/adam_silver_says_there_s_400_billion_per_year_of_illegal_sports_betting.html). In contrast, the legal sports wagering markets have a handle of about \$4.5 billion with a net win of a little over \$260 million.

9 Remote Gambling Association. (2010). *Sport betting: Commercial and integrity issues*, 10. Brussels, BE: Author. Retrieved from <http://www.eu-ssa.org/wp-content/uploads/Sports-Betting-Report-FINAL.pdf>



for legal win for legal sports wagering is around \$70 billion compared to between 2.5 to 6.5 times greater for the illegal markets.<sup>10</sup> Estimates of the size of the handle in the illegal Asian sports betting market alone range is estimated to be as much as a \$1 trillion, with Interpol putting the estimate at \$500 billion.<sup>11</sup>

Because of the massive volume of wagers (called liquidity), Asian bookmakers offer better odds,<sup>12</sup> more bet types and higher bet limits that are not only attractive to legitimate gamblers<sup>13</sup> but also to the corruptors. The large handle in the illegal markets has allowed the Asian bookmakers to lower margins and offer better betting odds to players. The Asian bookmakers maintain a house advantage of about 3% compared to the 5-10% provided by American and European bookmakers. For the corruptor, better odds result in higher rewards or the ability to propose more substantial bribes.<sup>14</sup> Higher limits allow the corruptor (a) to place large wagers into the markets without the bookmaker moving the odds against their interest and (2) to place more action without raising suspicions. Multiple bet types provide the corruptor with more opportunities to spot-fix,<sup>15</sup> which is harder to detect and more manageable to bribe athletes

Besides having the highest concentration of illegal and unregulated sports books, Interpol identifies Asia as the epicenter of modern competition manipulation.<sup>16</sup><sup>17</sup> Asian criminal organizations leverage the enormous liquidity

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10 The world's gross gaming win from all legal sports wagering was estimated to be \$58 billion in 2012, with a handle that would be about \$1.2 trillion. Global sports betting: The state of play. (2013, June 17). Retrieved from <http://www.gbhc.com/global-sports-betting-the-state-of-play/> Legal sports wagering grew by an average of 5.4% per year between 2001 and 2014. Morss, E. R. (2014, April 15). Gambling - Asia and the U.S. are 2 different worlds. Retrieved from <http://seekingalpha.com/article/2143343-gambling-asia-and-the-u-s-are-2-different-worlds>

11 Hill, Declan. "Jumping into fixing." *Trends in Organized Crime* 18, no. 3 (2015): 212

12 Ibid.

13 Rebeggiani, Luca, and Fatma Rebeggiani, *supra* note 6.

14 Forrest, David, Ian McHale, and Kevin McAuley. "'Say It Ain't So': Betting-Related Malpractice in Sport." *International Journal of Sport Finance* 3, no. 3 (2008): 156. Rebeggiani, Luca, and Fatma Rebeggiani. "Which factors favor betting related cheating in sports? Some insights from political economy." In *Match-Fixing in International Sports*, pp. 157-176. Springer International Publishing, 2013.

15 Spot-fixing is when an athlete or other person predetermines the outcome of a specific aspect of a game, unrelated to the result, to allow the corruptor to win a proposition or in-game wager. For example, some bookmakers will accept wagers on individual events within the game, such as whether the next pitch in baseball will be a ball or strike. A pitcher can manipulate that event by intentionally throwing a ball. Still another form includes intentionally withdrawing from a game without sufficient reason (e.g., faking an injury) to allow a competitor to win a match or proceed to a further round by default.

16 INTERPOL. (2013, August 14). *Match-fixing in football training needs assessment*. Cambridge, MA: Author. Retrieved from [http://projects.iq.harvard.edu/files/icss/files/e\\_tna\\_2013\\_final.pdf](http://projects.iq.harvard.edu/files/icss/files/e_tna_2013_final.pdf)



of unregulated internet sports wagering to fix matches internationally.<sup>17</sup> A series of cases involving European soccer in last 20 years illustrated the far-reaching impact of the vast illegal Asian wagering markets and the ability of corruptors to exploit these markets on a global basis, particularly with sports such as soccer that enjoy worldwide popularity. Several notable soccer games were either fixed or allegedly fixed. In 2006, an Asian corruptor associated with a betting syndicate enabled the fixing of two games with the participation of members of the Ghana national team in matches against Italy and Brazil. In the later, Ghana allegedly allowed Brazil to score three goals to allow the corruptors to win wagers that Brazil would win by more than two goals.<sup>18</sup> A significant issue plaguing soccer is that even notable games played at the International level feature players with many different earnings. Players from developing countries, like Ghana, are much more receptive to bribes than their more well paid European counterparts.

Two other significant scandals illustrate the international scope of corruption. In 2009, German police uncovered competition manipulation across multiple European countries known as the Bochum Competition Manipulation Scandal. Police suspected that the criminal network involved over 200 persons that allegedly fixed over 300 soccer matches in nine countries, Germany, Belgium, Switzerland, Turkey, Slovenia, Hungary, Croatia, Austria, Bosnia; and Canada.<sup>19</sup> Singapore-based financiers in concert with Chinese organized crime paid bribes of up to 100,000 euros that enabled them to make wagers in the millions of Euros.<sup>20</sup> The trail of money from the wagers and the bribes involved 11 countries including Germany, Malaysia, China, Isle of Man, Singapore, Russia, Austria, Turkey, Malta, the Netherlands, and Slovenia.<sup>21</sup> Four years later, EUROPOL, the European Union's Law Enforcement Agency, claimed that a year and a half investigation uncovered that an Asian crime syndicate, working with European criminal networks, fixed more than 680 matches over three years in 15 countries, involving

17 Boniface, P., Lacarrière, S., Verschuuren, P., Tuaillon, A., Forrest, D., Icard, J. M., ...Wang, X. (2012, February 13). Sports betting and corruption: How to preserve the integrity of sport. Retrieved from [http://www.sportaccord.com/media/news/others/publication-of-an-international-study-sports-betting-and-corruption-how-to-preserve-sports-integrity-0-15908/?sphrase\\_id=173](http://www.sportaccord.com/media/news/others/publication-of-an-international-study-sports-betting-and-corruption-how-to-preserve-sports-integrity-0-15908/?sphrase_id=173)

18 Kordas, Katarzyna. "Dropping the Ball: How Can FIFA Address the Match-Fixing Problem Facing Professional Football." *Sports Law. J.* 23 (2016): 107.

19 IOC, Interpol, Handbook On Protecting Sport From Competition Manipulation, <https://www.interpol.int/News-and-media/Publications2/Leaflets-and-brochures/Joint-report-INTERPOL-IOC-Handbook-on-Protecting-Sport-from-Competition-Manipulation>

20 Id.

21 Id.

425 match officials, club officials, players, and criminals under suspicion.<sup>22</sup>

### **Government Responsibility Regarding Wagering-related Corruption**

A casino jurisdiction has four significant options related to sports wagering. First, it could prohibit sports wagering all together at risk, however, that it will create a vibrant unregulated underground economy. Therefore, this option requires a corresponding commitment to policing sports wagering. The second option is to permit sports wagering but as a separate industry that is not permitted in the casinos. This was the historic position in Nevada until the late 1970s when sports books were required to be in stand-alone facilities outside the casinos. Macao also permits sports books, but not in the casino areas. This policy segregates casino and sports wagering and protects against a sports corruption scandal from tainting the reputation of the casino industry. This bifurcation, however, is inconvenient for bettors and inhibits full financial realization. The third option is to permit casinos to offer sports wagering and take no or minimal regulatory action to ensure the integrity of the sporting event. This option assumes the risk that a major sports wagering scandal involving wagers accepted at the casinos will taint the casino industry. The fourth option is to permit casinos to offer sports wagering and take an active role in the international efforts to combat sports corruption. These efforts are ongoing. For example, Interpol has worked with Asian law enforcement officials in operations have been highly successful resulting in China, Hong Kong, Macao, Malaysia, Singapore and Vietnam to effectuate arrests, seize money and close illegal Internet gambling sites.<sup>23</sup> These efforts will not stop sports corruption and the risks associated with dishonesty but help with detection and minimization.

Casino regulators and law enforcement need to use all available tools to be successful in fighting sports corruption. Government roles include creating legislation aimed at the prevention and detection of competition manipulation, an adequately regulating sports betting market through licensing, auditing, enforcement, and technical regulation, and serving as the facilitator for cooperation between the government, betting companies and sport governing bodies.<sup>24</sup> International cooperation, particularly on the scale required for addressing sports corruption is not prevalent in the casino industry. Below are significant steps that casino jurisdictions wanting to join the international efforts must consider.

22 Sara Hefny, *Europol Investigation Of Match Fixing In Soccer Reveals Widespread Corruption*, 29 No. 4 Int'l Enforcement L. Rep. 117, 2013

23 Robert Williams, *Interpol-Led Operation During The FIFA World Cup Raises Questions About Illegal Gambling's Role In International Soccer*, 30 No. 11 Int'l Enforcement L. Rep. 437 (2014)

24 <sup>2</sup>Rebeggiani, Luca, and Fatma Rebeggiani, *supra* note 1 at 157-176.





## **1. Establish and Fund a National Sports Integrity Program**

Casino jurisdictions cannot treat competition manipulation as a local issue. The government needs to establish a national sports integrity program that oversees and coordinates all aspects of preventing and detecting sports corruption. All suspicious activity reports must be analyzed by a central authority for individual incidents to become patterns worthy of investigation. A national sports integrity program includes assuring all the statutory obligations defined below, funding the program, working with all stakeholders, and coordinating police and regulatory efforts across international borders. To this end, the government should have sustainable ways to finance a national program to safeguard sports integrity.<sup>25</sup>

## **2. Define statutory obligations of the stakeholders**

### **a. Regulations for Sportsbook Operators**

Because many of the tools for achieving casino wagering integrity are the same for achieving sports integrity, they will not be repeated here. For example, the regulators, however, should create a standard licensing scheme for all key persons in the sports wagering industry to prevent unscrupulous sportsbooks from using their position to assist in competition manipulation. Regulators should use the same licensing criteria established for casino operators to ensure that sportsbook operators adhere to the highest levels of wagering integrity including not cheating the bettors by, as an example, underpaying wagers. Other requirements, however, go directly to sports integrity and governments that regulate the sportsbooks only for wagering integrity may not impose these requirements. They include:

#### **i. Data Sharing - Early warning detection**

Sportsbooks should share wagering information with a government-run or supervised central database to create a national or international early warning system. The regulators should define the data that sportsbooks must provide and the protocols necessary for the sportsbooks to deliver this information. The government should further explore how to use this information in conjunction with other countries to create an international early warning system.

#### **ii. Reporting**

Requirements to file suspicious activity reports regarding potential criminal activities by patrons should be expanded to include suspicion of sports corruption.

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<sup>25</sup> European Commission adopts Action Plan on online gambling”, Practical Law Company, 1 November 2012.



For example, Britain already requires licensed sportsbooks to report suspicious activities or breach of a sporting rule with both the regulator and the sports league.<sup>26</sup> The British regulators also maintain a dedicated confidential tip line.<sup>27</sup> Between October 2012 and March 2014, the British gambling authorities received 135 cases of suspicious betting activities, with most being reported by the licensed sportsbooks.<sup>28</sup> Of these 135 cases, the gaming authorities are actively investigating 17 cases.<sup>29</sup>

Like in Britain, book operators should be obligated to report irregular gambling patterns or other suspicious activities related to sports corruption to a special sports integrity unit and the sports governing bodies.<sup>30</sup> The sportsbooks can share these reports and any augmented reports (such as a duty to report a suspected violation of league rules) with the sports governing bodies concurrent with reporting to the respective governmental agencies. Bookmakers' systems for identifying suspicious circumstances should be subject to approval in advance and then reviewed by independent audit.<sup>31</sup>

### **iii. Know Your Customer Requirements**

Know your customer (KYC) standards should be imposed on sportsbooks for all substantial bettors and should include obtaining and reviewing basic government identity information, reviewing the bettor identification against lists of persons that present sports integrity risks (e.g., players, officials, referees, convicted corruptors), providing the customer with house rules and other requirements related to wagering, and monitoring of a bettors' transactions against expected behavior.

### **iv. Define what bet types that book operators can accept**

The government could adopt regulations that restrict certain types of wagers. Two jurisdictions, Victoria, Australia, and France, give the sports governing bodies the right to determine which events sportsbooks can accept

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26 Section 15.1 of the Licence Conditions and Codes of Practice (LCCP) requires licensed betting operators to provide the sports governing bodies with information related to a breach of a rule of the sport governing body, GAMBLING COMMISSION (Apr. 2013), <http://www.gamblingcommission.gov.uk/Gambling-sectors/Betting/Operating-licence-holders/Information-that-must-be-provided/Reporting-suspicious-bets.aspx>.

27 The Gambling Commission's Betting Integrity Decision Making Framework, 1.4, GAMBLING COMMISSION (October 2013), <http://www.gamblingcommission.gov.uk/pdf/Betting%20integrity%20decision%20making%20framework.pdf>.

28 *Id.* at 4.204.

29 *Id.* at 4.220.

30 Bozkurt, Emine, *supra* note 5.

31 Forrest D., McHale I. & McAuley K. (2008), *supra* note 6.



bets on and the type of wagers that they can accept.<sup>32</sup> Much of the risk regarding corrupt sporting events that legal bookmakers could potentially accept wagers on does not apply to major sporting events or significant sporting leagues but are directed at wagers on games in minor leagues where the teams may not have a sports organization to monitor the integrity, and the results may not be widely publicized.<sup>33</sup> Regulators should consider rules restricting wagering to those games least likely to have integrity issues because the athletes are fairly paid, the scrutiny of the competition is intense, and the sports organization commits to integrity.

## 2. Create a Special Sports Integrity Unit

The government should authorize and assign dedicated agents or a unit within a specialized group to work on combating competition manipulation. Policymakers can consider the regulatory efforts of Great Britain, which has a dedicated Sports Betting Intelligence Unit with powers to both void bets and prosecute offenders. A special sports integrity unit has many advantages. First, a well-trained and educated, specialized task force can concentrate on pursuing illegal gambling. A fewer number of illicit gamblers help eliminate the profitability for syndicate operators and match-fixers by reducing the size of the illegal winning pool for fixed matches.

## 3. Create Uniform Criminal laws

National law should have a comprehensive definition of what constitutes competition manipulation and other corrupt acts, who faces criminal liability for engaging in competition manipulation or other unethical acts and the penalties including fines, prison, and asset forfeiture.<sup>34</sup> This comprehensive scheme of criminalization of corruptors and corrupt activities should be consistent with International standards and are essential tools to combat competition manipulation and other nefarious acts.<sup>35</sup>

32 *Sports Betting: Legal, Commercial and Integrity Issues*, REMOTE GAMBLING ASSOCIATION 50-51, London (UK): RGA (2010).

33 Ben Van Rompuy, Limitations on the Sports Betting Offer to Combat Match-Fixing: Experiences from Europe, *GAMING L. REV. AND ECON.* Volume 18, Number 10, 2014.

34 Bozkurt, Emine, *supra* note 5. In the most extreme cases, bookmakers and bettors were conned into wagering on games that were not even played.

35 Wladimir Andreff. 4 Corruption in Sport. Terri Byers. *Contemporary Issues in Sport Management: A critical introduction*, Sage, 2016, 978-1-4462-8218-2. <halshs-01279785> The anti-corruption reform could include a similar convention through the auspices of UNESCO. U.N. Educ., Scientific, & Cultural Org., *International Convention Against Doping in Sport*, art. 1, Oct. 19, 2005, <http://unesdoc.unesco.org/images/0014/001425/142594m.pdf> [hereinafter UNESCO Convention].

#### 4. Recognized Extraterritorial Jurisdiction and Extradition

Anticorruption statutes should provide for extraterritorial jurisdiction and extradition. Liability should attach when a citizen or a resident of the casino jurisdiction is involved in corrupt practices or causes any of the previously described steps related to the corruption to occur in another country. Likewise, the government should recognize extradition efforts by other governments related to its citizen or residents for sports corruption-related crimes.

#### 5. Enforce the Laws against Illegal Sports Wagering.

Illegal bookmakers have little incentive to cooperate or to police sports corruption. Large operations in Asian often benefit from corruptors and money launders because they increase liquidity and thus profitability. These operations are agonistic as to the source of the funds or the bettor's motivation for using their platforms. Government goals should include redirecting bettors from the illegal bookmakers, who have little interest in protecting sports integrity, to regulated sportsbooks. This would not only involve prosecuting violators and undertaking steps to block illicit sites, prohibiting advertising for unlawful sites and working with financial institutions to stop the flow of funds between illegal operators and bettors.

#### 6. Be Active in Cross-Border Cooperation

Several countries including the United States and some in Asia, Central America and the Caribbean are impeding international efforts dedicated to the prevention of competition manipulation because of its tolerance of large illegal markets and its unwillingness to address their existence.<sup>36</sup> To change, these countries need to address new standards for legal and administrative cooperation.<sup>37</sup> Such efforts are not with precedence. On a regional scale, Europe has developed conventions for cross-border collaboration designed to reduce illegal accessible liquid markets for sports wagering and help ensure the detection and prosecution of those involved in competition manipulation.<sup>38</sup> Some essential elements of a

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36 Carpenter, Kevin., Match-Fixing In London Olympic Year Scandals, Lessons & Policy Developments (2013). Carpenter, Kevin. "Global Match-Fixing and the United States' Role in Upholding Sporting Integrity." *Berkeley J. Ent. & Sports L.* 2 (2013): 214. Available at: <http://scholarship.law.berkeley.edu/bjesl/vol2/iss1/11>

37 Feltes, Thomas. "Match Fixing in Western Europe." In *Match-Fixing in International Sports*, pp. 15-30. Springer International Publishing, 2013.

38 Michael Plachta, A Council Of Europe Adopts New Convention On The Manipulation Of Sports Competitions, 30 No. 11 *Int'l Enforcement L. Rep.* 408 (2014)



cross-border agreement could include:

- Entering bilateral and multilateral treaties, member states that make use of active channels for the exchange of intelligence and information related to the investigation and prosecution of manipulation of sports results at national and international levels.<sup>39</sup>
- Establishing that participating or the aiding and abetting competition manipulation is a criminal offense under its domestic law when committed intentionally,
- Agreeing to close access to illegal remote and land-based sportsbook operators in their jurisdiction;
- Agreeing to block the flow of funds between illegal operators and bettors;
- Agreeing to prohibit advertising for illegal operators;
- Agreeing to seize and forfeit funds related to illegal gambling and competition manipulation
- Withholding “financial support and operating licenses from those athletes or organizations that fail to comply with the terms of the Uniform Anti-Corruption Program.”<sup>40</sup>
- Defining corrupt betting and competition manipulation as serious crimes.<sup>41</sup>
- Requiring appropriate investigative means, such as monitoring of communications, seizing of material, covert surveillance, control of bank accounts and other financial investigations in the fight against manipulation of sports results, especially in cases of manipulation of competitions offered for bets
- Agreeing to collect and preserve evidence including electronic data related competition manipulation,
- Agreeing to require customer identification and sports-bets transactions could be monitored in the framework of the prevention of money laundering<sup>42</sup>
- Agreeing to raise consumers’ awareness of the risks associated with illegal wagering.

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39 Id.

40 Ramos, Miguel A. “Game, set, match-fixing: Will international anti-doping initiatives pave the way for similar reform for corrupt betting in tennis.” *Hous. J. Int’l L.* 32 (2009): 201.

41 Id.

42 Michael Plachta, *Council of Europe Acts Against Manipulation of Sports Results, Notably Match-Fixing*, 28 *Int’l Enforcement L. Reporter* 64-66 (2012).