

GAMBLING COMMISSION

Protecting betting integrity

October 2013

1 Introduction

- 1.1 The UK Gambling Commission (the Commission) was set up under the Gambling Act 2005 to regulate commercial gambling in Great Britain. We are committed to keeping crime out of gambling, ensuring gambling is conducted fairly and openly and the vulnerable protected from harm or exploitation.
- 1.2 This document summarises the Commission's policy and approach to protecting betting integrity, which is primarily concerned with sports betting. However it also covers betting on non-sporting events; for example the winners of film awards. Accordingly this paper is titled Protecting Betting Integrity.
- 1.3 The integrity of betting is important because of the risks any compromise would pose to the licensing objectives given its scale and popularity with the British public. Customers must have confidence and belief that when they place bets with UK licensed operators they are doing so on markets that are fair and free from betting related corruption and with licensed operators who are effective in managing risk to the licensing objectives.
- 1.4 This requires an understanding of the national and international context and in particular the influences of the global nature of sport, betting and communications.
- 1.5 There is evidence from abroad of increasingly sophisticated and organised criminal activity related to the provision of illegal betting and manipulation of sports results through the corruption of sports competition and governance and the subversion of legitimate betting operator controls. These criminal groups reportedly view betting corruption as a less risky criminal activity.
- 1.6 There have been incidents of localised opportunistic corruption in the UK but we believe the risks of systemic corruption of sports betting and sports activities in the UK are currently relatively low. However, evidence of betting corruption across the globe suggests we cannot assume that this will remain so. The impacts of such would have a significant detrimental impact to the interests of the public, the ethical and commercial interests of sport and betting industries and harm the UK's reputation.
- 1.7 On the other hand, there have been and will likely be situations where individuals seek to profit from betting using insider knowledge or by choosing to ignore the rules of their sport or the terms of their employment. These infringements cannot be ignored; even though it is not always appropriate to prosecute these persons through the criminal justice systems effective measures can be taken by adequately equipped sports governing bodies and employers.
- 1.8 The threat of 'match fixing' and corrupted sports betting is an increasingly high profile international issue. The Council of Europe, European Union, Interpol, International Olympic Committee (IOC) and other international sports organisations are actively seeking to address the issue and the presidents of the IOC, FIFA and UEFA have spoken publically of their concerns.

2 Background

- 2.1 The past three years has seen a significant increase in awareness and reporting of sports betting integrity issues, particularly in the higher profile sports and in Europe, which have been well documented. Whilst evidence of corrupt betting in the UK has been limited to what appear in the main to be discrete cases, opportunistic in nature, rather than being evidence of systematic and systemic corruption we cannot afford to be complacent in thinking that UK sports betting and sport is immune from the continued threats of opportunistic or organised criminal activity.
- 2.2 In 2009 DCMS established a Sports Betting Integrity Panel drawing together representatives of the betting industry, the police, players, sports governing bodies (SGBs), the legal profession and the Commission to make recommendations on the design and implementation of a collaborative approach with to protect the integrity of UK sport and betting.
- 2.3 The Panel's report, commonly known as the Parry Report, made a series of recommendations central to which was that the betting industry, sports governing bodies and associations, Gambling Commission and police should commit to activity within their sphere of competency to prevent and deter those posing the threats. In addition the report recognised how a collaborative approach could maximise the collective impact by working together to deal with the short and longer term issues.

3 Our strategy

- 3.1 The Commission remains committed to sustaining the national approach as defined in the Parry report. We will continue to work with partners and stakeholders in the betting industry, sport (including but not limited to SGBs, player associations and industry bodies) and law enforcement agencies to identify the vulnerabilities, support preventative action and strengthen the deterrents to corruption in betting. The collective objective is to prevent and discourage involvement in betting integrity issues by understanding the opportunities to subvert existing controls and making it more likely that those involved can be identified and appropriate sanctions imposed.
- 3.2 To achieve this goal and support international efforts to combat the threats we will engage with European and international efforts to develop effective operational collaborations of mutual benefit. We will also contribute to the development of effective multinational strategies intended to identify and address the threats.
- 3.3 The Commission sees itself playing an important role through the continual development of the Sports Betting Intelligence Unit (SBIU) working in collaboration with sports governing bodies, licensed betting operators and law enforcement to identify the corruptors and corrupted and longer term threats and to implement approaches that prevent and deter those that pose the greatest threat. To achieve this goal we will establish effective operational cooperation with partners and maintain our understanding of the scale and scope of the threats presented to UK interests.
- 3.4 The Commission will work on the principle of being risk-based and proportionate in determining the focus and scale of our activity.
- 3.5 Whilst any lack of integrity related to how an event is managed will detract from the fairness and openness of that event and the interests of the sport involved, the Commission's focus will be upon integrity matters directly related to betting. Specifically where the outcome of an event has been influenced with the intention of benefiting through betting on it or where misuse of information is used when placing a bet. This includes making an assessment to consider if the offence of cheat has been committed.

3.6 The Commission understands the importance of upholding betting integrity to sporting bodies, the betting industry and to the public. It is familiar with methods used in other countries to promote betting integrity such as restricting the types of bets offered or approving sports governing bodies' rules before allowing betting on those sports. The Commission has the power to impose such restrictions. However, the Commission does not consider, based on the available evidence, that such intrusive or resource intensive methods are warranted or would be effective in Great Britain, although we will continue to monitor developments in this area.

4 Effective collaboration

4.1 We will work with partners to establish effective information exchange arrangements and promote the effective use of information to enable SGBs, betting operators and law enforcement (UK and elsewhere) to gain a better understanding of the risks faced and the options to manage that risk. The SBIU will act as the Commission's information and intelligence gateway.

4.2 We will encourage and where appropriate facilitate sports governing bodies and betting operators to have effective direct agreements on joint working.

4.3 Memorandums of Understanding (MOUs) that set out how we will work together are in place where appropriate with some organisations, such as where these are deemed appropriate. The Commission will continue to review MOU requirements to sustain current agreements and initiate new ones where appropriate.

5 Working with betting operators

5.1 The Commission will sustain its engagement with Commission licensed operators and others to maintain effective information exchanges. We will ensure that operators have appropriate clarity as to the work of the SBIU and the requirements of the Commission as to assurance that their controls are effective in identifying. We will continue to work with betting operators' associations and trade bodies on a national and international basis and will seek feedback as to how the national approach can be improved.

5.2 As the regulator the Commission is keen to emphasise that it is the primary responsibility of licensed operators to identify and mitigate the threats to the licensing conditions and as such we have an expectation that operators will comply with the conditions and have in place mechanisms to identify and act to protect their customers (and their own commercial) interests.

5.3 The Commission considers licence condition 15.1¹ to be of particular importance. To meet this requirement operators are required to have in place systems and procedures to identify suspicious or unusual betting patterns and to provide relevant information to the Commission and to SGBs.

5.5 The Commission will share information where there is justification to do so. This information may be of a general or specific nature that could be used to mitigate emergent risk and promote good practice, recognising the constraints of confidentiality.

¹ The requirement for betting operators to share information on suspicious activity with the Commission and sports governing bodies). The condition, set out at appendix 1, was revised in Licence Conditions and Codes of Practice (October 2008). Changes brought about by the review of remote gambling proposes that all operators offering services to UK customers will require a UK licence and will therefore be subject to this condition.

6 Working with sport

- 6.1** The Commission has established good working relationships with the key of sporting bodies and this cooperation will continue. We will build new relationships with organisations seeking to take steps to preserve the integrity of their sport with whom we may have had limited or no previous engagement and where we consider the risks to be greatest.
- 6.2** We will encourage and facilitate sport governing bodies to share information with us and with operators about suspicious sporting activity possibly related to betting integrity in order to offer support and help decide on the most appropriate course of action.
- 6.3** We will work with and offer expertises to sports and betting operators, as befits our capability, to understand what education programmes, rules or codes are in place regarding participants betting and the sanctions that can be applied if these are breached.
- 6.4** Where appropriate, we will share with sport governing bodies information as to our investigative techniques and procedures to help sports bodies build up their capacity to uphold their own rules and conduct investigations on issues relating to their sport.
- 6.5** We will where appropriate disclose information gathered by the Commission investigations to assist Sports Governing Bodies in applying their disciplinary codes.
- 6.6** We will explore with SGBs, sports organisations and relevant others (for example, the Sports Betting Group, the Professional Players Federation etc) opportunities for the facilitation of the sharing of best practice.

7 Working with other law enforcement agencies

- 7.1** Sports betting investigations can be complex and resource intensive. The Commission recognises the competing priorities and operational challenges faced by law enforcement agencies. In circumstances where the scale and scope of the criminal activity related to sports betting integrity is considered to be of a serious nature then the Commission will engage with law enforcement agencies to discuss them adopting investigations, with Commission support and expertise.
- 7.2** The Commission will continue to raise awareness of the threats and indications of sports betting corruption, the work of the Commission and the support it can offer police and law enforcement. Betting integrity cases are often involve parties from a wide geographical range and therefore determining the best route for an investigation to take can prove problematic.
- 7.3** The Commission has good working relationships with the Association of Chief Police Officers (ACPO) and Police Scotland and agreements are in place as to how we exchange information and facilitate joint operational activity. We will work with the National Crime Agency (and other agencies) in identifying the strategic threats to UK interests and specifically addressing the threats posed by the activities of organised criminality. We will contribute towards the UK Threat Assessment when requested.
- 7.4** The SBIU will act as the secure intelligence and information portal between the Commission, law enforcement and other agencies. We will continually engage with and encourage these to identify, collect and share information and intelligence with us on potential betting integrity issues and promote the Commission as providing potential opportunities to add value to their work.

8 International collaboration

- 8.1** Gambling and sport are global, multi million pound industries increasingly commercially linked, for example via ownership and sponsorship arrangements and promoted by modern communication technologies and advertising linking the excitement of sport with that of betting. Proliferation of the interest in and betting on sport has been assisted in the growth of internet use, ever increasing means for communications and 24/7 global access to both betting and broadcasting of coverage of sporting events.
- 8.2** Whilst the UK will remain our primary focus we recognise that UK betting and sport is not immune to influence from external sources and the activities within the UK can in turn influence events elsewhere. As betting operators and sport have become increasingly globalised by virtue of changing organisations' scope and technology, so has organised crime. The evidence of organised crime groups infiltrating sport for betting corruption purposes both in Europe and in Asia indicates the need to ensure that we are communicating and collaborating with international stakeholders specifically to ensure UK interests are protected.
- 8.3** The Commission has neither the remit nor the resource to investigate this international criminality. However, in addition to establishing effective relationships with UK law enforcement agencies we will sustain our engagement with Interpol and support other foreign law enforcement investigations agencies as appropriate as an intelligence gateway to link them up with others.
- 8.4** Many of the recent international developments have a positive impact for the Commission and others. For example development of engagement and cooperation between countries in the fight against corruption in Europe and beyond offers the prospect of strategies, and operational frameworks that will foster greater information, intelligence exchange and operational collaboration. The Commission and DCMS will be involved in the development of these opportunities as necessary to ensure UK interests are represented.
- 8.5** The regulatory landscape is rapidly changing as countries review and revise their policies with regards to the acceptability of gambling and in particular sports betting. The regulation of gambling is becoming more globally linked through inter regulator contacts, information exchange MoUs and mechanisms and the work of associations such as the Gaming Regulators International Forum (GREF) and International Association of Gaming Regulators (IAGR). We are also working closely with the Council of Europe and European Union. The Commission will engage through these channels to identify and address the threat of corrupt sports betting and will provide information and intelligence it considers appropriate to other regulators.
- 8.6** Similarly sport and the betting industry are recognising the international dimensions to addressing the threats to the integrity of their interests. Our engagement with such organisations is being widened to international sports federations or organisations (for example the International Olympic Committee) and international gambling / betting associations. These are both a valuable source of information and potential recipient of information from the Commission subject to the appropriate safeguards.

9 Managing the threats

- 9.1 The Commission will look at what offences are likely to have been committed, what is the proportionate and appropriate response, who is best placed to address the offences and what actions or investigations should be carried out simultaneously.
- 9.2 How we do this is set out in the Gambling Commission's [Betting Integrity Decision Making Framework \(October 2013\)](#)

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Keeping gambling fair and safe for all

For further information or to register your interest in the Commission please visit our website at:

www.gamblingcommission.gov.uk

Gambling Commission

Victoria Square House

Victoria Square

Birmingham B2 4BP

E info@gamblingcommission.gov.uk

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