


Sports Betting Integrity Update

For Board approval	
For Board briefing	
For Board steer	
For Board information	

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Executive summary

1. This paper provides early sight of the first draft of a high level national plan narrative intended to update the Parry Report (2010) and serve as a framework document for actions to prevent and deter the threat of match fixing.
2. The draft has been sent to DCMS for an initial response prior to introduction of a proposal to update the Parry Report (2010) ¹ at the Tripartite Group² meeting in October.

Background

3. The July 2014 Board paper Sports Betting Integrity Update³ highlighted that the Parry Report, that has provided the initial framework for UK action to date, does not now serve as an effective strategic narrative or reference document to inform others of the national approach or the broad focus of activity being undertaken by the partners.
4. Initial discussions with DCMS as to the need revise the UK documentation had resulted in an agreement that Nick Tofiluk should produce a first 'straw man' draft plan shared with the Commission Board and DCMS, prior to further engagement with sports betting operators, sports governing bodies and law enforcement through the Tripartite Group.
5. The Tripartite Group arrangement is being promoted as the effective basis of the collaboration that underpins the national efforts to address the threat of match fixing. A launch event is to be held in London on 17 November. It will be attended by all partners, is being organised by the Association of British Bookmakers and the Commission. The Minister Helen Grant has accepted the invitation to attend and open the event.
6. It is hoped that the revised plan will provide the narrative to explain the national approach and respective contributions. It is anticipated that a more detailed action plan comprising commitments and scheduled actions by each partner organisation and agency can then be prepared, against which progress can be more effectively measured.

Issues

7. It was agreed at the July 2014 Board that a first draft would be provided to the Board for information in September.
8. Appendix 1 contains the first draft of an updated plan based upon the Parry Report. It would be intended that the respective sports organisations and law enforcement agencies would use this to develop more detailed action plans.
9. The draft seeks to distinguish the relationship between the Gambling Commission (the Commission) as regulator and as a member of the Tripartite Group working with a close working relationship with sports betting operators in particular.
10. The sections that relate to law enforcement agencies are in bulleted form as meetings scheduled for August could not take place. A meeting will take place on 12 September, with the Director General of the National Crime Agency, not in time for amendment of the draft prior to circulation. An update can be provided at the Board meeting if required.
11. The draft has been sent to Hitesh Patel at DCMS and his reply is awaited.

¹ M:\Regulation\Sports Betting Integrity\Parry panel background files\PARRY_FINAL REPORT

² The steering meeting of key partners (Commission, sports, betting operators and law enforcement)

³ Board paper July 2014: GCP (14)51:item 6.

Recommendation

12. The Board is asked to note the draft document at Appendix 1 and provide comments.

Appendix 1

Initial National Action Plan to address Match fixing [vo.1] for circulation to Gambling Commission and DCMS only

Introduction

Overview and context of the policy

1. This document identifies the GB approach and proposed national plan to addressing the risk from match fixing to the integrity of sport, sports betting and Britain's reputation for being a safe place to enjoy both. It also looks at how we might tackle those criminals that would seek to harm our interests.
2. It sets out in broad terms the roles of government, agencies and organisations in delivering sustainable and effective actions to identify and control the harms associated with match fixing and builds upon the progress made since the publication of the [Parry Report](#) in January 2010 that has provided the initial roadmap for action.
3. There can be no complacency as those responsible for corrupting the integrity of sports and licensed sports betting are resilient and resourceful. Our success to date in identifying and responding to the threats reflects the learning and experience gained from individual cases and the benefits arising from information sharing and collaborations between sports, licensed betting operators and agencies in Britain and abroad.
4. It is a national threat that has international dimensions because of the global nature of sport, betting and communications. Match-fixing also often involves serious organised crime networks operating at national and international level using sophisticated technologies and organisations. As identified in the Serious and Organised Crime Strategy⁴, prevention in combination with disruption and deterrence disruption plays a key role.
5. The approach reflects the belief that match fixing presents major and continual challenge for the governance, culture, reputation and operational capabilities of sports and sports betting operators. It poses challenges for agencies focused upon gambling regulation, sports policy development and law enforcement in combating organised crime, corruption and money laundering.
6. Finally it requires government to align sports, sports betting and criminal justice policies focused upon developing sporting success and well governed business in tackling corruption and protection of Great Britain's reputation and influence.

What is match fixing?

7. Match fixing is corruption⁵. Firstly, it is the corrupt manipulation of a sporting event by those participating or officiating, with the intention of producing a result or occurrence which gives those involved in organising or producing the result, inside information from which they will seek to profit.
8. Secondly it is the deception of licensed sports betting operators that either allows the information to be used to successfully wager or enables those organising corrupt sports betting markets to profit through the deception of other bettors.

⁴ [Serious and Organised Crime Strategy October 2013](#)

⁵ Whilst fixing a match can result in teams gaining through reward from continued participation in a competition or league the term is most often considered in the context of a means of producing criminal profit through sports betting.

Why is preventing match fixing important?

9. Match fixing damages the national and international integrity and reputation of British sport and licensed sports betting. It harms the economic and participatory viability of British sport, licensed sports betting and the social and financial welfare of those associated with sports and sports betting.
10. The match fixing may involve violence, extortion, bribery and money laundering to produce the required sport occurrence(s) and results, placing bets or offering corrupt markets and collecting the resultant criminal profits. It may entail the grooming of the young and inexperienced and damage the professional reputation of sports participants or licensed business people. It also sustains local and organised crime with its associated harms.
11. Match fixing damages the economic interests and international reputation of Great Britain. There is potential impact upon the reputation of sports governance, the regulation of sports betting and willingness of Britain to address corruption. thus providing a safe environment within which to conduct gambling related business activity and host sporting events

Purpose.

12. The purpose of the national plan is to identify the strategic framework of action to address match fixing risks. The plan focuses upon (a) preventing sporting events and licensed sporting betting markets from being subverted and (b) deterring persons from organising or corrupting sports events or betting markets.
13. The plan stresses the requirement for key actors to plan for and act within their areas of responsibility to prevent and deter match fixing, support where appropriate each other's efforts and where necessary work in unison.
14. The action plan comprises:
 - Part A: The strategic approach
 - Part B: Sports Governing Bodies.
 - Part C: Licensed Sports Betting Operators
 - Part D: The Gambling Commission
 - Part E: Law Enforcement agencies.
 - Part F: The role of government.

Part A The Strategic approach

15. The plan comprises activities to be taken at a national level by government and agencies and by sports and sports betting organisations with the objectives of:
 - i. Developing preventative measures within sports and betting operators organisations to raise awareness of the threats, promote a culture of resistance and provide support for those that wish to provide information.
 - ii. Promoting professional sports and betting operators' governance arrangements that produce effective risk management strategies.
 - iii. Establishing effective communication, intelligence development and information sharing arrangements that underpin being intelligence led, quick to identify and respond to match fixing issues.

- iv. Establishing effective frameworks within sports organisations and gambling operators, gambling regulation and criminal justice provisions that are complementary and capable of being enacted concurrently.
- v. Sustaining the Tripartite Group to steer the national plan and develop coordinated responses to issues.
- vi. Coordinating policy and actions in the national, European and global contexts. Contributing to and learning from international developments and operational collaborations will be considered in the context achieving our national goals.

Part B Sports Governing Bodies.

16. Good governance in sport is a necessary condition for the autonomy and self-regulation of sport organisations in Britain. There is no single model of good governance but there are underpinning principles for Sports Governing Bodies such as autonomy within the law, democracy, inclusiveness, transparency and accountability in decision-making. Good governance is an essential condition for addressing the challenges to integrity that match fixing creates⁶.
17. A core function of all Sports Governing Bodies is to maintain, and be seen to be maintaining, the integrity of their sport. Sport Governing Bodies must raise awareness and take action to protect themselves and their law abiding members from threats posed by those that would corrupt sporting events, be it from within or outside the sport. They and must collaborate with others to achieve this goal⁷.
18. The plan recognises the importance of leadership and in particular the role of Sports Betting Group (SBG) within British sport [and its intention to involve more sports in its work] The terms of reference for the SBG⁸ should be reviewed to ensure sport leadership is supported to act with consistency across the sporting landscape, particularly with regards to the development and adoption of the Code of Conduct⁹ through engagement at all levels of sport.
19. The provision of clear framework of contractual provisions and rules that enable the identification of issues and proportionate sanctions to match fixing behaviours is an important element of effective risk management. The integrity infrastructure and intelligence provisions within the Parry Report remain as necessary enablers and review of procedures and competencies is important to ensure that sports can identify and respond to issues and where necessary engage effectively others to coordinate responses.

Part C Licensed sports betting operators

20. The plan recognises that licensed sports betting operators have obligations under the Gambling Act 2005 to ensure that sports betting is prevented from being a source, associated with or used to support crime. It recognises that regulation is underpinned by the principle that the Gambling Commission expects licensed sports betting operators to conduct their business in a manner that does not prejudice this objective and in particular ensure that there are no conflicts of interest with regards to the prevention and deterrence of match fixing through commercial arrangements with sports.

⁶ (Source EU [principles of good governance http://ec.europa.eu/sport/news/2013/20131017-principles-good-governance_en.htm])

⁷ (basic source - SBG site)

⁸ as outlined in the Parry Report

⁹ SGB Code – Website

21. Licensed sport betting operators are expected to provide clear rules and contractual provisions relating to their employees and bettors that enable the prevention and deterrence of match fixing activity or bets. The raising of awareness of match fixing and the controls being applied is as an important activity as is the availability of proportionate contractual sanctions for employees acting inappropriately. This is complementary to the contractual controls of voiding bets made by persons who bet in breach of sports rules or who abuse inside information as outlined within the Parry Report.

Part D The Gambling Commission and Gambling Regulation

22. The integrity of sports betting in Great Britain has long been a focus for the Gambling Commission's regulatory engagement with the sports betting industry. It recognised that the inability of licensees to identify and prevent betting products being misused to generate criminal profit can encourage match fixing and present serious risk of match fixing.

23. It is a principle of the Gambling Commission's regulatory approach that it is the responsibility of licensed sports betting operators to ensure that their governance and risk management arrangements prevent sports betting from being a source of, or associated with crime and that sports betting is fair. The Gambling Commission will, wherever possible, work with sports betting operators to identify and resolve internal risk management issues and expects operators to collaborate with key partners within the action plan

24. The Gambling Commission as Regulator will support the action plan by ensuring that;

- only operators suitable in terms of their integrity and competence will be licensed as sports betting operators and remain so.
- operators are identifying match fixing activity and information as to unusual or suspicious activity is provided to the Commission and where appropriate to sports.
- meaningful contribution is made to developing international regulators' awareness policy and operational collaborations.

25. The Gambling Commission will be responsible for the development and operation of the Sports Betting Intelligence Unit (SBIU). The SBIU will ensure that information to assist in preventing or mitigating match fixing risk is collected and appropriately communicated to sport, law enforcement and licensed operators. The SBIU will work with all partners to identify and combat those engaged in match fixing and establishing an operational coordination capability to ensure a timely and effective response to emergent issues

26. The Gambling Commission working closely with DCMS will act as lead agency for the development and implementation of plan will;

- Support the Tripartite Group, its workstreams and engagement with and between its members and otherwise support collaborative actions.
- engage with government and agencies to ensure that betting integrity/match fixing plan are aligned to relevant national strategies
- engage with relevant international organisations to influence and ensure alignment with international policy and operational procedures.

Part E Law Enforcement [key points possibly to be included – first draft to be finalised before any circulation to wider members –meetings with NCA and ACPO scheduled]

27. Law enforcement play key role in deterring match fixing and supporting others efforts. Focus is upon the investigation of organised criminal activity. Match fixing likely to fall within scope of Organised and Serious Crime Strategy (2014) and within Home Office Anti Corruption efforts. Gambling Commission and law Enforcement have established secure intelligence arrangements to address match fixing criminality.
28. Police forces (Association of Chief Police Officers - ACPO) and the National Crime Agency (NCA) recognise that match fixing may involve organised criminality at national and international levels. Gambling Commission, police and NCA have established secure information sharing arrangements and will contribute to each other's efforts through respective tasking processes. Engagement with Europol, Interpol and foreign police forces is coordinated through Commission and NCA channels.
29. ACPO and NCA are members of Tripartite Group and arrangements are in place, coordinated through the SBIU to ensure the provision of timely response to emergent issues by all relevant partners. ACPO is engaging with CPS to improve case management arrangements.

Part F Government [key points possibly to be included – first draft to be finalised – version with DCMS prior to initial circulation.]

30. DCMS will act as lead department for match fixing policy development.
31. DCMS will coordinate actions that require cross government involvement relating to criminal justice and national anti corruption provisions.