

GLMS

GLOBAL
LOTTERY
MONITORING
SYSTEM



2018 MONITORING & INTELLIGENCE REPORT



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MESSAGE FROM THE PRESIDENT

GLMS REPORTS 81 MATCHES OUT OF THE 631 ALERTS GENERATED IN 2018



On behalf of the GLMS Executive Committee and team, I am pleased to present you the results of the GLMS monitoring and intelligence activities for the year 2018. The present report provides you with some facts and figures about the intensive level of monitoring activities which GLMS is carrying out in the highest interest of the integrity and credibility of sports. I take this opportunity to thank all GLMS Members for their precious support and contributions. Without their invaluable feedback, GLMS would not be able to gather intelligence of the highest quality.

2018 has been for GLMS a wonderful and dynamic integrity journey! We started enthusiastically with the process of globalization of our monitoring and intelligence operations, through the launch of a new hub in Hong Kong and the development of a new intelligence and messaging platform. We went on by constantly enhancing the value of our operations - adding new features to the platforms including new markets and sports - as well as our service to our partners and members, by providing – beyond our regular alerts and reports - detailed analysis on matches upon request.

The addition of 4 new members within 2018, strengthened our global integrity alliance and further leverage the "glocal" dimension of our operations, while we have tremendously increased the number of our monitoring partners, which includes important public and private stakeholders, coming from different fields.

The fight against sport competition manipulations is not only about monitoring and this is why we have been extremely active in other integrity segments, such as education & prevention. We have launched our education and prevention program, providing our members with relevant tools which can be used at national and international level.

During 2018 we have also been leading relevant policy discussions with legislators and policy makers. We have been notably advocating for a prompt entry into force of the Council of Europe Convention on the Manipulations of Sport Competitions, which we consider as the world's most complete, legal tool for the overall fight against sport corruption. The convention also supports and sponsors well regulated sports betting environments complemented by measures against illegal sports betting.

2019 has already started very dynamically for us. Rest assured that we will build on the foundations set in 2018 and making our best efforts for the benefit of sport and our members and in the highest interest of society!

Yours in Integrity,

Ludovico Calvi
GLMS President

2018 HIGHLIGHTS

MONITORING TIREDLESSLY SUSPICIOUS BETTING PATTERNS



Over the year 2018, beyond launching a new Operations Hub in Hong Kong in January 2018, we have further enhanced our monitoring platform by adding new markets.

GLMS President visited our new Operations Hub in Hong Kong in March 2018.



CONCLUDING KEY PARTNERSHIPS FOR THE BENEFIT OF SPORT & SOCIETY



GLMS signed an agreement with FIFA in January 2018 and with the IOC in February 2018 regarding the monitoring of the 2018 Olympic Winter Games.

Agreements have been signed also with a wide range of stakeholders, including sport organizations (La Liga, RFEF, TIU, ESIC), regulatory authorities (UK, Norway, Lithuania), law enforcement authorities (EUROPOL, Victoria Police).



Agreement with EUROPOL concluded in November 2018

Agreement with the TIU was concluded in May 2018



Agreement with the Council of Europe's Group of Copenhagen (the network of national platforms - the national cooperation frameworks set up as per article 13 of the Convention) concluded in June 2018



2018 HIGHLIGHTS

WELCOMING NEW MEMBERS



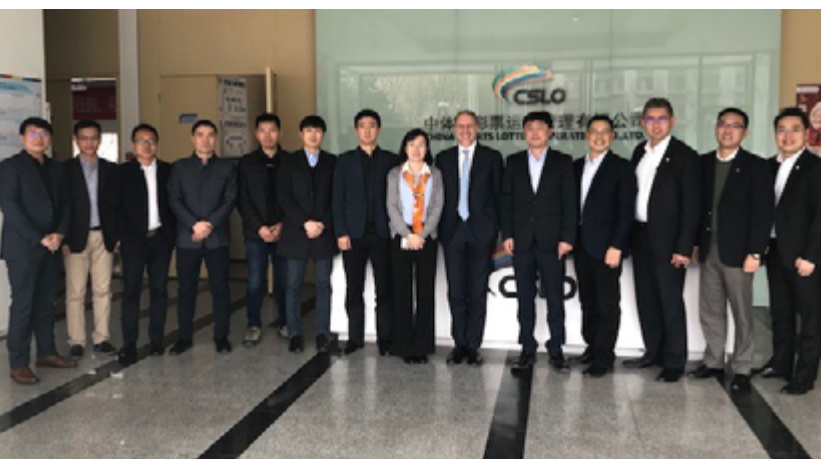
GLMS had the pleasure to welcome 4 new individual Members in its family: Islensk Getspa (Iceland), Maltco Lotteries Ltd (Malta), STOLOTO (Russia) and SAZKA (Czech Republic)

At the same time, a new membership category was introduced: associate members. GLMS welcomed 2 associate members – lottery suppliers already in 2018: INTRALOT and SGI



LEADING POLICY DISCUSSIONS

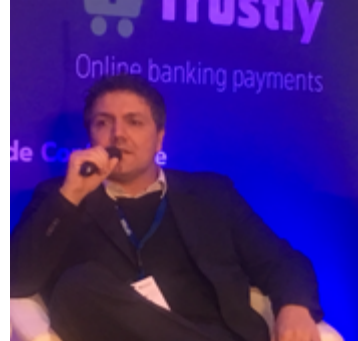
GLMS thanks to its expertise in integrity matters over 2018 - beyond the numerous events it attended - on many occasions reacted on different relevant developments. GLMS reacted and issued a statement in April 2018 and December 2018 in connection to the Independent Interim and final - respectively - report on tennis Integrity (and submitted its input to the public consultation), in May 2018 in relation to the US Federal Court decision on sports betting, but also following the results of the Swiss referendum in June 2018.



In March, GLMS President, Ludovico Calvi, presented to our Chinese public stakeholders, China Sports Lottery Operations, China Sports Lottery Administration Center, China Ministry of Finance, Chinese Super League and China Ministry of Security the GLMS strategic objectives and new vision and mission.

2018 HIGHLIGHTS

GLMS General Secretary, Giancarlo Sergi, highlighted the significance of GLMS at the Betting on Football Conference on 21-22 March 2018 in London



GLMS President, attended the Congress of the African Lottery Association - ALA - on 18 April and highlighted to African Lotteries the significance of joining GLMS as members

GLMS President on June 5 acted as a speaker in a high level panel debate on sports integrity at the European Parliament



GLMS General Secretary, Giancarlo Sergi, presented the GLMS 2.0 at the EL Industry Days on 8 June

2018 HIGHLIGHTS

GLMS President, Ludovico Calvi, attended on September 11 the INTERPOL Integrity Taskforce, and informed law enforcement authorities across the globe about the importance and added value of GLMS



GLMS President, Ludovico Calvi, presented threats and opportunities for Lotteries, at the NASPL Congress on 27 September



GLMS President speaking at the BOS Conference about the US Sports Betting Market in September 2018.



GLMS General Secretary, Giancarlo Sergi, at the 3rd CoE International Conference on the Promotion and Implementation of the Macolin Convention

GLMS organized in cooperation with ALEA during the WLA Summit in Buenos Aires a high-level press conference on sports integrity with the participation of the IOC and key Argentinian officials



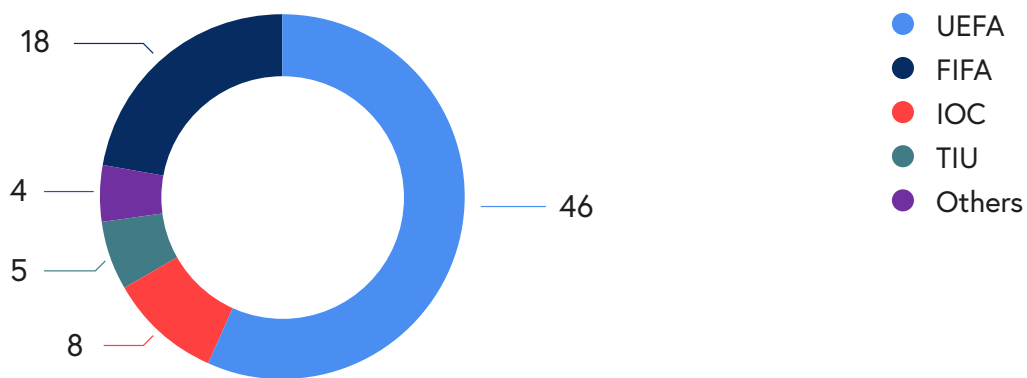


MONITORING REPORT

ALERTS TO PARTNERS

We had reported 81 matches to our partners from our 631 alerts in 2018. 46 matches were reported to UEFA and 18 matches were reported to FIFA. Most reports were triggered from Football which we have noticed irregularities during daily monitoring. The rest of the alerts were sent to the International Olympic Committee (IOC), Tennis Integrity Unit (TIU) or Local Gaming Authorities. A number of detailed monitoring reports have been also prepared on request by members or partners.

ALERTS TO PARTNERS



631 ALERTS WERE SENT TO MEMBERS IN 2018



North America 9

- Basketball 3
- E-Sports 4
- Tennis 1
- American Football 1

South America 63

- Football 61
- Basketball 1
- Tennis 1



Europe 459

- Football 359
- Basketball 45
- Tennis 18
- E-Sports 1
- Volleyball 5
- Handball 10
- Ice Hockey 17
- Hockey 1
- Rugby 1
- Cycling 1
- Badminton 1

Africa 8

- Football 5
- Tennis 3



Asia 69

- Football 40
- Basketball 20
- Tennis 4
- E-Sports 1
- Volleyball 3
- Table Tennis 1

International 17

- Football 15
- Volleyball 2



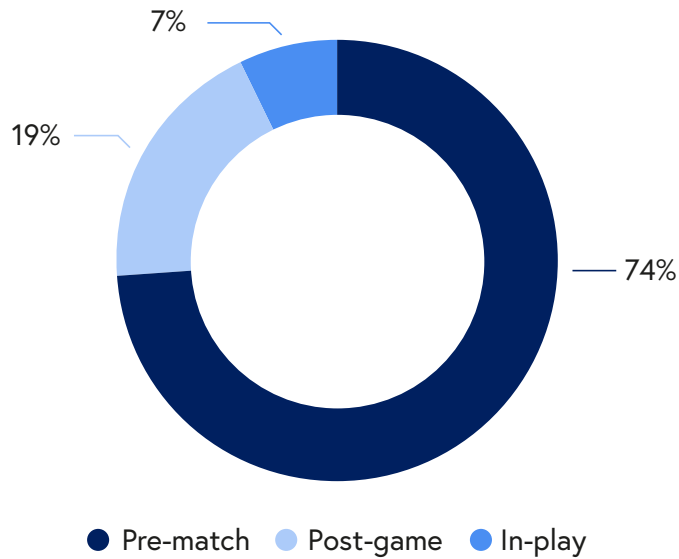
Oceania 6

- Football 2
- Tennis 3
- Boxing 1

MONITORING UPDATE

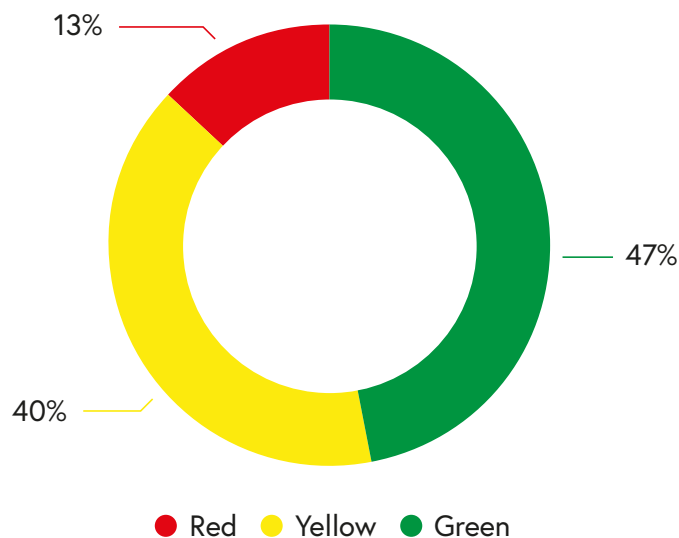
ALERTS TIME

Out of these 631 alerts that were created in of 2018, 466 were created before the match start while 45 alerts were based on in-play odds changes. 120 alerts were triggered after matches had ended.



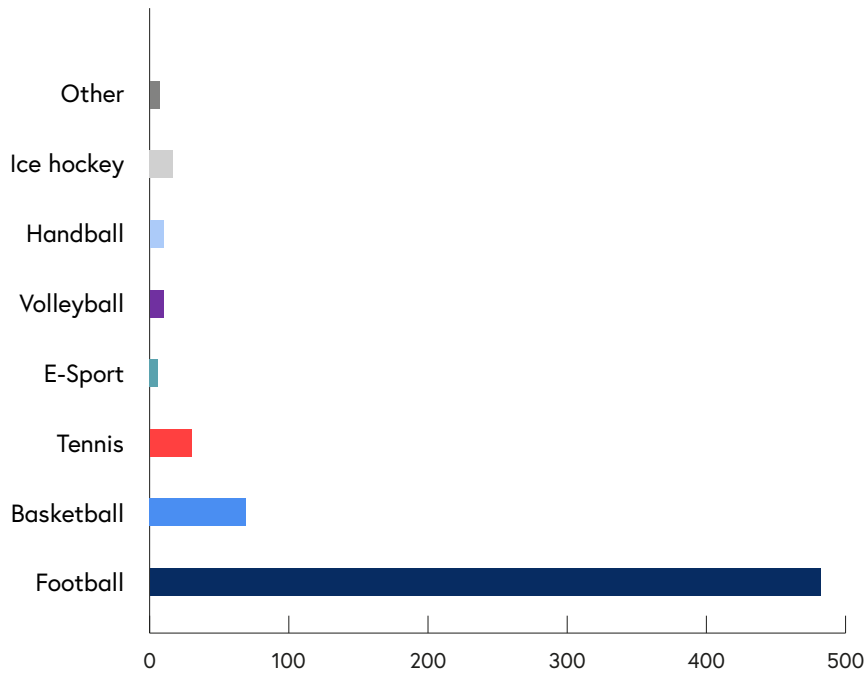
ALERTS COLOR DISTRIBUTION

Out of these 631 alerts, 67 were code red and 47 of them were generated in pre-match or during live. 70% of the pre-match or live alerts in red were ended as expected. There were 207 yellow alerts and 238 green alerts. The rest were a result of a request or information provided from our Members or Partners.

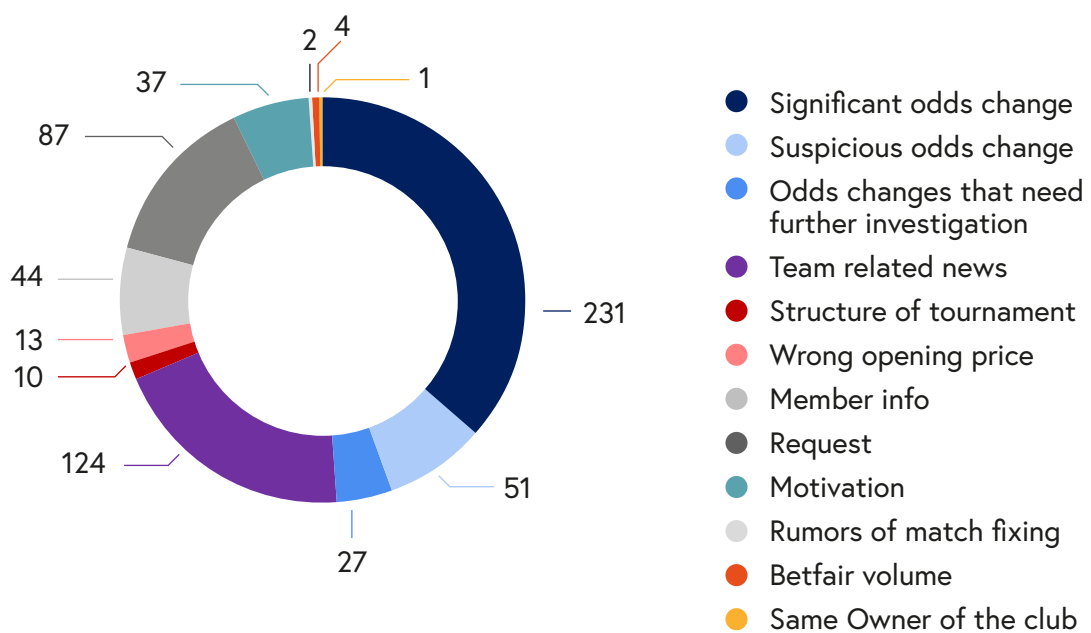


MONITORING UPDATE

ALERTS SPORTS TYPE



REASONS TRIGGERING ALERTS



GLMS ALERTS METHODOLOGY & CLASSIFICATION

In order to reach a report, GLMS first generates an alert, each time an irregularity in terms of betting patterns is detected. An alert generated leads to thorough consultation with the GLMS Members, as well as a deep investigation on potential grounds that could justify the irregularity detected in the odds changes.

When the irregularity cannot be justified on objective grounds and also the information received from GLMS Members (also regarding the money flows) further indicate an irregularity, then GLMS issues a report

Green Alert	Yellow Alert	Red Alert
<ul style="list-style-type: none"> • Team related news • Motivation • Same owner/sponsor of the club • Former club • Member info • Minor odds changes that need further investigation - could be justified by info • Wrong starting prices 	<ul style="list-style-type: none"> • Member info • Betfair volume • Unexplainable odds changes • Structure of tournament • Rumors of matchfixing - from social media, betting forums, news etc. 	<ul style="list-style-type: none"> • Suspicious odds changes • Member info • Rumors of matchfixing from a named source • Betfair volume/patterns



VIEWS OF OUR PARTNERS



JOSÉ IGNACIO ARBEA SARASA - LALIGA

LaLiga has been very active in the fight against sport competitions manipulations for years now. Can you describe the main pillars and focuses of your work in this domain?

LaLiga has been fighting against sports corruption for years through a global integrity's protection model in all Spanish football. The basis of this model are composed by four pillars:

1. Prevention
2. Monitoring sports betting
3. Research-file a complaint
4. National and international relations with other entities whose target is the defense of sports integrity.



Refers to prevention, LaLiga provides integrity workshops to teams of First Division, Second Division, Women's League and National Futsal League of Spanish football. LaLiga also complements these activities sending good sports practices guides and implanting posters in sports áreas.

Secondly, the live betting monitoring of al matches of First Division, Second Division, Second Division-B, Third Division, Women's Legaue and National Futsal League. In the same way LaLiga do the live betting monitoring of another tournaments (Copa del rey, Federation Cup..) and spanish friendly matches as well.

The alerts detected and collected are shared to our national and international partners. In this case, the work done with GLMS during the last season has been very important and satisfactory for LaLiga.

If some alert has been detected in some of the aforementioned events, LaLiga begins immediately an investigation and subsequent to file a complaint to the National Police.

Likewise, LaLiga's own global integrity model are in conitnuos contact with national and international institutions and entities, collaborating and supporting initiatives related to integrity in sports

Can you explain how GLMS helps and adds value to your work?

In order to join efforts for the integrity protection in Spanish football, since last summer LaLiga has signed a collaboration agreement with GLMS. This initiative has been valued very positive by LaLiga. The continuous information and feedback share with GLMS during the current season has helped to develop and consolidate the alarms detected. That means a constant improvement in the final development of researches that trend to protect the integrity in Spanish football.

Interview

with

OUR MEMBER VEIKKAUS OY – SAMI KAUKHANEN

How does Veikkaus OY profits from GLMS

Although we have our own monitoring and risk management mechanisms, GLMS is quite special in connecting us with the global betting market. Many times, Finnish sport could be targeted by criminal groups with the betting activity happening outside Finland. The cooperation with the GLMS team and GLMS Members helps us better understand some abnormalities detected that can be either finally explained or actually confirmed. This can even lead us to close matches and effectively also save money.

We have highly appreciated also the detailed analysis that we receive upon request from the GLMS Operations Team with a reference to a certain match.

This is really a significant service that has helped us a lot and we would encourage other members to make use of it.

The educational tools we received have helped us further enhance our education activities and of course, as we are a part of the national platform, all the regular policy information we receive are quite useful for us.

Most importantly, being part of GLMS makes us feel part of the great lottery family, the alliance of lotteries across the globe that have joined forces to safeguard the integrity and inspirational value of sport. I would recommend all Lotteries across the globe offering sports betting to consider joining us in this significant effort!



What other activities is Veikkaus OY taking against the phenomenon

Veikkaus OY, being the most sustainable supporter of Finnish sport of all levels has taken into responsibility towards sports integrity very seriously. We have always been very active in education and prevention. Through our sponsorship contracts with the sport federations, we actually ask federations to extend prevention activities to every club of theirs and we are an active part of this effort. It is actually mandatory that every club receives educational trainings.

At the same time, Veikkaus OY has been a very active part of the Finnish National Platform, set up as per article 13 of the Macolin Convention. We are supported a lot by GLMS in our input within the national platform and the intelligence information we provide. Actually, I would recommend to all GLMS Members to be active in the national platforms that are either set up or will be shortly set up in their countries. National Platforms are the spirit of the Macolin Convention and Lotteries should remember to be ready to have an active role. GLMS can be of huge value towards this direction. Speaking about the Macolin Convention, I would strongly advocate for its quick entry into force, as it is the most elaborate tool for the overall fight against sport competition manipulations.



Managed Trading Services for Lottery Operators: An analysis of options available to lotteries

As the sports betting market expands globally, with particular emphasis on the U.S., many lottery operators are seeking ways to bring their trading services to the next level. With the two primary options—in-house and outsourced—equally popular, it's crucial to weigh the pros and cons of each as operators choose their path.

In-House Trading

Proprietary trading services bring a level of control that's hard to match with an external provider, but can be a double-edged sword. Full control also means full responsibility; operators should consider the challenges inherent in a fully in-house solution to maximize their own benefit.

The internal option also offers the ability to focus on specific sports or events that are relevant to your players, alongside specialized odds and pricing for those events. The fact of the matter remains: operators know their consumer base best.

On the flip side, in-house trading can increase operational expense. To keep a betting offer competitive in today's sports landscape, it's important to staff a number of traders to manage large-scale sportsbooks. While effective, it can drive costs up.

Outsourced Trading Services

The outsourcing option often enough offers a truly competitive breadth of content with significantly less manpower. With a built-in team of traders, expenses stay low while the odds and pricing management remains top-notch, including additional professional oversight, making the outsourced or managed trading option perfect for operators looking to make an impact.

This outsourced option also frees the operator to focus on areas of the business that directly touch consumers, such as marketing and user experience. With pricing and trading completely handled, all areas of an operator's business can flourish in tandem.

The challenges that come with outsourcing managed trading services result from the sheer volume of content on offer. With a vast library of events and odds at their disposal, operators may lose the local flavor of their product. The localization of the offering needs to be carefully planned. One size doesn't always fit all, and operators should carefully consider all aspects as they aim for growth in their territory.

The Middle Ground

Of course, it's not always so cut and dry. Combining the best features of the two options is managed trading services. This provides a partnership model with operators that ensures the supplier's best interest in running a successful and meaningful sportsbook.

A true managed trading services partner should be in a position to offer the content depth, while strategically enabling the operator to bring their sportsbook to the next level with potential localization (as needed) and the highest levels of integrity. In the end, a successful trading organization, whether it's in-house, partially or fully outsourced, will attract and retain bettors for the long term.



Nikos Konstakis, VP Sportsbook Product,
SG Digital - Scientific Games



Intralot Orion

The next-generation Sports Betting platform for a truly connected player experience.

INTRALOT presents Orion, its most advanced, feature-rich and versatile Sports Betting platform. A true omni-channel solution designed to empower the modern operator with cost-efficient and fast go-to-market capabilities.

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Certified by WLA for its Responsible Gaming program, INTRALOT is committed to the principles of responsible gaming incorporating them at its best-in-class product solutions and global operations.

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ABOUT GLMS

GLMS is the state lotteries' mutualized monitoring system on sports betting. It aims at detecting and analyzing suspicious betting activities that could question the integrity of a sport competition. Building on six years of experience with the establishment in 2009 of ELMS with European Lotteries, GLMS went global in January 2015 extending the network to other continents. GLMS facilitates the sharing of sports betting information as part of the collective efforts of its members in ensuring sports integrity globally, and is dedicated to effective cooperation with all key stakeholders: regulators, law enforcement authorities, sports organizations.

INDIVIDUAL MEMBERS



COLLECTIVE MEMBERS



ASSOCIATE MEMBERS

