European Lotteries' actions against match fixing

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About match-fixing:

Match-fixing or manipulation of sport competitions is defined as “an intentional arrangement, act or omission aimed at an improper alteration of the result or the course of a sports competition in order to remove all or part of the unpredictable nature of the aforementioned sports competition with a view to obtaining an undue advantage for oneself or for others.”

Match-fixing is not a new phenomenon. Already, during the Ancient Olympics, there were allegations against athletes accused of accepting bribes to lose a competition. In fact match-fixing is not only related to betting. There are two major motivations behind match-fixing: the financial advantage (most often related to gambling) and the sporting advantage (sporting-related match-fixing). Although both categories undermine the very essence of the competitions, the current article is not having a focus on the sporting-related match-fixing.

Nowadays, if one takes a look at the news, every day there is a new incident reported, which makes match-fixing the greatest problem in modern sport, undermining directly its very credibility. Online betting brought up a number of developments and had numerous consequences, like a tremendous increase in the number of operators, a tremendous increase in the sports betting revenue, huge changes in the sports betting offer (fixed odds betting now represents the 90% of the market, emergence of new types of betting, like betting exchanges (live betting revolution, betting on less high-profile sports derivative betting etc.), significant increase in pay-out rates. This new reality in combination with the fact that a huge number of online operators are based on tax havens being subject to limited control

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1 Olympic Movement Code on the Prevention of the Manipulation of Competitions, s.2.2 / Council of Europe Convention on the Manipulation of Sport Events, article 3. Par. 4
2 SportAccord, Integrity in Sport, Understanding and Preventing Match-Fixing, SportAccord, 2012
3 A report (The Prevalence of Corruption in International Sport. A Statistical Analysis, 2011) from the British Coventry University’s International Centre for the Business of Sport (CIBS) found in 2011 that corruption in sport is dominated by doping, equating to nearly 96 per cent of all cases, and that betting and non-betting related match-fixing make up less than three per cent of corruption cases. However, this report only took into account the proved match-fixing cases, which clearly are less than the proven doping incidents. Researcher, Declan Hill had published an article, criticising the results of this report.
and the fact that many actors involved in sport might be young and naïve makes this area quite attractive for organised crime but also for betting syndicates or simply sportsmen themselves.\(^4\)

**Initiatives and the responses of the lottery sector**

Over the past 5 years, there have been numerous initiatives by different actors at an international, European and national level. There have been numerous projects seeking to raise awareness about the risks related to match-fixing (some of the projects have been funded by the EU), some early warning systems have been created by both betting operators and the sports movement, while at the same time police also got active in the field. There have been also numerous research initiatives, looking at the sufficiency of criminal laws in relation to the phenomenon and the issue of the protection of whistleblowers has been also raised. Following a two-year consultation, in September 2014 the Council of Europe opened for signatures an International Convention against the Manipulation of sport events, which constitutes a complete and well-rounded initiative against the phenomenon.\(^5\) The Convention includes provisions about all relevant issues, asking signatories to take measures against illegal sports betting, prevent conflict of interest provisions, raise awareness about the matter, enhance the sharing of information mechanisms and most importantly set up a national platform against the phenomenon.

Driven by their core values, **integrity, precaution and solidarity**, the European Lotteries Association (EL) has been extremely active in this fight for sports integrity and has taken concrete measures over the last years. Of course, EL and WLA fully support the Council of Europe Convention and in fact has recently joined the project "**Keep Crime out of Sport – KCOOS**" of the Council of Europe\(^6\), which seeks to promote the Convention and support states with the implementation of its provisions.

**Commitment to Responsible Operations – the EL Code of Conduct on Sports Betting**

Belonging to a sustainable model and driven by their core values, responsible operations is an absolute rule for the Lotteries. Already in 2007, EL adopted a Code of Conduct on Sports Betting, which was updated in 2014\(^7\). The Code, which should be seen as complementary to the jurisdictional, legal and regulatory requirements within each national jurisdiction, addresses numerous issues, like consumer protection\(^8\), protection of minors, responsible advertising, restrictions on the events and betting types to be offered, strict conflict of interest provisions for Lotteries and their employees involved in events and odds selection, obligation to report suspicious betting activities etc.\(^9\) These provisions are fully in line with the provisions of the Council of Europe Convention against the Manipulation of sport events. For instance, in line with the Convention (article 10), the EL Code of Conduct provides indeed strict

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\(^4\) More information on the sports betting developments and the factors that led to the proliferation of the match-fixing phenomenon can be found at the study of Sorbonne (2014), "Protecting the Integrity of Sport Competition, the Last Bet for Modern Sport", and at IRIS (2014), "Sports Betting and Corruption", pp.64–88

\(^5\) The full text of the Convention can be found here: [http://www.coe.int/en/web/conventions/full-list/-/conventions/rms/09000016801cdd7e](http://www.coe.int/en/web/conventions/full-list/-/conventions/rms/09000016801cdd7e)


\(^7\) [https://www.european-lotteries.org/el-code-conduct](https://www.european-lotteries.org/el-code-conduct)

\(^8\) The EL Code of Conduct on Sports Betting (2014), s.II

\(^9\) The EL Code of Conduct on Sports Betting (2014) was also based on the EL Sports Integrity Action Plan – the 7-point programme, adopted by EL in 2013.
conflict of interests provisions and covers all areas mentioned in the relevant article of the Convention. In addition, according to the EL Code of Conduct on Sports Betting, in case of a betting irregularity, EL Members immediately alert the public and sport authorities as well as police and/or law enforcement authorities in a transparent manner (this is also in line with article 10 par. 3 of the EPAS Convention). The EL Code of Conduct also encourages EL Members to carefully select the types of bet offered and focus on bets based on final results and goal scoring. Although a study of ASSER indicated there is no evidence that live betting or side bets pose risks for match-fixing, it has to be borne in mind that this is the way organised crime might infiltrate in sports. Therefore, certain bet types need to be offered with vigilance and always only when strictly controlled and authorised in the jurisdiction of the consumer. Needless to say that fully in line with article 3 par 5a of the Convention, EL Members only operate in countries where they are authorised. All games offered by Lotteries to consumers are in compliance with the regulatory authorisation issued in the jurisdiction where the consumer is located.

**Education and Prevention – support to the setting up of national platforms**

Education and prevention is the easiest but probably most efficient way to fight against the phenomenon. Match-fixing is a threat for all sports, all athletes, officials, etc. This is why it is really important and crucial that educational programmes reach out to all athletes and relevant stakeholders. EL along with the WLA already from 2011 to 2015 collaborated with SportAccord about the creation of a Global Programme on Sports Integrity. This programme was one of the first ones of this kind and on a global level. Thanks to this programme and the e-learning that was created, many athletes were informed about the relevant risks and through the multi-sports competitions of SportAccord this programme was further disseminated.

Most importantly, EL actively participated in the IRIS project “What national networks in the EU against match-fixing” which supported the creation of national networks in 22 Member-states of the EU. In many countries it was the first time stakeholders from different areas received this information and

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10 EL Members abstain from acquiring a significant stake in a sports club or links with a sportsperson. Should this be the case, however, they must ensure that they never include this club (or sportsperson) in their sports betting offer: EL Members are never a significant partner of (i.e. such that they may be able to influence) a sports team (or a sportsperson) that might be involved in sports used for the purpose of organising betting. EL Members are entitled to use advertising with athletes or sportspersons only when there is no way to influence them in their sports activities; In all official operators’ sponsorship contracts must state that the official operator plays absolutely no role and has no direct influence on the sport-related decisions taken by the team or the event. The EL Code of Conduct also includes strict provisions for employees involved in odds compiling and events selection.

11 “Each Party shall adopt such legislative or other measures as may be necessary to oblige sports betting operators to report irregular or suspicious betting without delay to the betting regulatory authority, the other responsible authority or authorities, or the national platform”.

12 EL Code of Conduct on Sports Betting (2014), s. 3.2

13 “The Odds of Match-Fixing”, ASSER, January 2015

14 “illegal sports betting” means any sports betting activity whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located

15 EL Code of Conduct on Sports Betting (2014), s. 1,1

16 As part of the IRIS project “What national networks in the EU against match-fixing” 22 national seminars with the participation of all major stakeholders were organised, with the objective to collect and share best practices in terms of the fight against match-fixing and the promotion of a national coordination among interested stakeholders in each state. A national report was prepared, following each seminar. All reports can be found here: [http://www.iris-france.org/observatoires/geostrategic-observatory-on-sport/](http://www.iris-france.org/observatoires/geostrategic-observatory-on-sport/)
actually found themselves in the same table. Through these national workshops (which actually paved the way for national platforms under article 13 of the Convention), the EPAS Convention was also promoted in all countries.

At a national level, some Lotteries have also developed national educational programmes in order to educate athletes and relevant stakeholders. In the countries where a national platform has already been set up, Lotteries have also taken an active role. It has to be submitted, though, that national platforms, under article 13 of the Convention, cannot be fully operational without the efficient implementation of article 11 of the Convention (concrete measures against illegal betting). The participation of all stakeholders active in a certain jurisdiction in the national platform, as well as the effective sharing of information (as per article 12 of the Convention) requires that no illegal operators, who are not subject to sufficient control, are active in that jurisdiction.

**Monitoring Betting Patterns:**

Driven by their core principles, EL was the first association which proceeded to the creation of an information exchange system, with the objective to monitor betting patterns. This first cooperation led to the first unofficial creation of the European Lotteries Monitoring System (ELMS). ELMS was officially created in 2009 and, following a 2-year consultation, in 2015, the Global Lottery Monitoring System (GLMS), came into life to reach a worldwide audience (now operating under the World Lottery Association). Since the official creation of the ELMS (2009) a very big number of matches have been reported: 491 matches to UEFA, 149 matches to FIFA and 38 matches to the IOC. In the year 2015 only, 128 matches were reported to UEFA, 63 matches to FIFA and 17 to the IOC.

The methodology of the GLMS mainly consists in the comprehensive analysis of betting patterns of GLMS Members and odds changes in the general betting market. After consultation with GLMS Members and if any abnormal betting patterns and/or odds changes cannot be justified on objective grounds, GLMS reports the match to its international sports partners. The GLMS team is also actively checking data and media sites, in order to make sure that the reports are well grounded and irregular patterns cannot be justified on reasonable grounds.

For the GLMS, 27 Lotteries from 4 continents work together, providing input to the monitoring work. Besides benefiting from members’ information, GLMS operators are experienced in monitoring the illegal market and report on suspicious patterns. Of course, it has to be kept in mind that these alerts reflect irregular activity, and it is then up to the relevant authorities – sport/law enforcement – to further consider and investigate alerts reported, and determine whether further investigations are to be carried out.

**Next steps and Follow-Up**

The fight against match-fixing is indeed an ongoing fight that needs cooperation and coordinated actions. Lotteries have taken this fight in serious and have developed numerous concrete actions. Most importantly, Lotteries have fully supported, since the beginning of its drafting, the Council of Europe Convention against the manipulation of sport competitions, having also promoted it both through the

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17 For instance, in France, FDJ, has developed cooperation with LFP (football), as well as the federation of rugby, handball, basketball, volleyball and the National Olympic Committee for this purpose.
IRIS Project *What national networks in the EU against match-fixing* in 2013–2014 and now with the EPAS project *Keep Crime out of Sport*. As soon as the Convention enters into force\(^{18}\), this fight will have been taken onto a higher level and states will be committed to a series of measures and a high level of coordination among different national actors: Education and prevention measures, adequate sharing of information, national platforms, criminal provisions, protection of whistle-blowers. Of course, the fight against illegal betting, as provided by article 11 of the Convention, is a basic prerequisite for the effective implementation of most provisions of the Convention\(^{19}\). Indeed, in case operators operate without a licence in a certain jurisdiction, the sharing of information with public authorities and first of all with the national platform cannot be optimal, the risk assessment and management cannot be adequate. Furthermore, even if conflict of interest provisions are in place, they will not be respected by the illegal operators, undermining the efficiency of the whole structure.

It is therefore recommended, that states proceed to the signing of the Convention, and follow up with all provisions of the Convention. The strict and coordinated implementation of all provisions will undoubtedly lead to concrete results. Although it is difficult to say that match-fixing will be completely eliminated, once the Convention is set into force, it should at least be limited. The Lotteries will keep promoting the Convention and fighting with concrete actions against the phenomenon, fully in line with their core values, integrity, precaution and solidarity.

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\(^{18}\) For the entry into force of the Convention, 5 ratifications are needed, including 3 ratifications from Council of Europe Members.

\(^{19}\) The need for fight against illegal betting has been also highlighted by the communiqué (ss.23–24) of the Global Anti-Corruption Summit held on May 12 by UK Prime Minister David Cameron. Also, the OECD Report, *Illicit Trade – Converging Criminal Networks* (May 2016), pp.249–253, also refers to the risks linked to illegal sports betting.