

# Match-fixing and grassroots sport



Australian Government  
Australian Sports Anti-Doping Authority



Australian Government  
National Integrity of Sport Unit



Australian Government  
Australian Sports Commission

## A production of Play by the Rules



## In cooperation with



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National Integrity of Sport Unit



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Australian Sports Commission



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# Preface

On 1 June representatives from Northern Territory sports organisations and major clubs gathered to attend the Safeguarding the Integrity of Sport forum in the Michael Long Learning Centre in Darwin. The Darwin forum concluded a unique national roadshow, organised by Play by the Rules, which addressed the impact that doping, match-fixing and the use of supplements are having on sport at a grassroots and sub-elite level.

The forums were unique in many ways, not least for the extent of inter-agency cooperation that went into staging them. Major partners were the Australian Sports Commission, the Australian Sports Anti-Doping Authority (ASADA), the National Integrity in Sport Unit (NISU) and all state and territory departments of sport and recreation. The initiative was funded via the Committee of Australian Sport and Recreation Officials (CASRO), the collective of federal, state and territory heads of sport. CASRO's support followed recommendations from the Access All Levels report, commissioned by Play by the Rules on behalf of CASRO and produced by Bluestone Edge in 2014.

The report confirmed what CASRO suspected — that doping, match-fixing and the use of supplements were no longer confined to high performance sport.

This ebook is a direct transcript of the match-fixing presentation delivered by Damian Volz of the National Integrity of Sport Unit during the forum that was held in Sydney in May 2015. To view the full video of the complete forum, or major topic session videos, simply go to:

[www.playbytherules.net.au/news-centre/projects-sport-integrity/1446-safeguarding-integrity](http://www.playbytherules.net.au/news-centre/projects-sport-integrity/1446-safeguarding-integrity)

At the time of producing this ebook we are in the process of planning for the next stage of support in these areas of integrity. If you would like to be kept informed of these initiatives and resources then sign up here – <http://pbtr.com.au/safeguarding/>

Thanks



Peter Downs  
**Manager – Play by the Rules**  
October 2015



## MATCH-FIXING AND GRASSROOTS SPORT

***Damian Voltz (National Integrity of Sport Unit)***

Just by way of introduction, I'm attached to the National Integrity of Sport unit, but I'm also an officer of the Australian Crime Commission, and currently on secondment. So, basically, I live in the intel world and the classified world, and understand what's going on with organized crime, and I can bring that across to sport. So, I'm not here to tell you that the sky is falling, either. And Australian sport is actually in pretty good shape, compared to some sports internationally, and I think we're in a window, at this point, where Australian sport has maybe a couple years to get its house in order and to build the resilience in the industry, so that when organized crime comes knocking on our door, which it will, that the sport has the ability to basically repel organized crime and keep organized crime out.

What I want to do today is provide you with an understanding of the capabilities of organized crime and how they operate, how they're working overseas internationally, and basically what you're dealing with and why we now find ourselves in the situation that we do, and why we're now having match-fixing occur all around the world, basically on a daily basis. You're in a better position to protect the sport if you understand, actually, what the problem is. And that's what the aim of today is, basically to explain how this world operates.

So, essentially, the reason sports is threatened is because of these three elements that have now come together—the vulnerable targets, which is sport itself—the ACC did an



assessment back in 2010, which no one really knew about. But what we found was that Australian sport was highly vulnerable to infiltration. It wasn't prepared for what was coming, because you haven't ever had to deal with this before. Motivated and capable offenders is organized crime, and I'll explain why they are so good at what they do, and what you're actually dealing with. And then, liquid betting markets—that's the key—is that we now have ever-increasing amounts of money being gambled on sport, and you can now make money out of co-opting sport by putting money through those liquid betting markets.

And what's happening is that the amount of money that's now moving through the system is actually creating the incentive to match fix, because the money is there, and you can actually now hide money and make more money out of this whole process. So, it's almost like we're in this vicious circle at the moment. The more money you can make out of it, it attracts more money into the market. And that's where we are.

So, I want to focus, first of all, on organized crime and why they are such a threat. The United States did an assessment back in 2011, which was what they call an NIE, or National Intelligence Estimate. And it was the first one they'd done in about 15 years. And what they found was that organized crime, or the reach and impact of organized crime, was unprecedented, because organized crime was leveraging off the same developments and globalization and technology advancements and innovation, and basically using those in the illicit trade. The income, now, of some organized crime groups is bigger than the GDP of whole nations, and it's actually becoming increasingly difficult, in some countries, to disentangle the state and organized crime, because they have actually become one. For example, in West Africa, where criminal organizations have actually infiltrated whole governments, they can't now disentangle the government from organized crime. And the reason for that was that they needed to get cocaine from South American into Europe, and West Africa was a perfect way to do that.

The other thing is that organized crime is now recognized as a national security threat by the U.N. Security Council, and that happened just a couple of years ago. So, it's to that level now, that organized crime is now a threat to national security, and it's the first time that that's actually been recognized.

So, all illicit markets are basically global markets. If you look at the cocaine market, it comes from producing countries in South America, transits through the Caribbean and West Africa, and goes to the main demand, U.S., Europe, or Australia. You can look at basically



every other illicit commodity, and it's exactly the same. And match fixing is no different. So, in this example here, you have Dan Tan, who—you'll hear his name mentioned a few times through here. He has accomplices in Italy who can pay bribes to players. Money is transferred through Panama, through front countries, to the players to pay the bribes. And then, bets are placed in Asia.

To do that investigation is extremely complex. Where is the offense being committed? And the minute investigations go overseas, you can lose the ability to collect evidence, if you have to work through countries that don't follow the same rules as us. You lose that money trail. So, if you put money through the British Virgin Islands, finding those financial trails is almost next to impossible. So, you're dealing with a true transnational issue, and match-fixing is truly a global trade.

You wouldn't have ever seen this guy. This is a U.N. special Security Committee notice. This is reserved for some of the most wanted people in the world. This guy is Dawood Ibrahim, head of D Company. I'll just run you through his list of exploits—contract killing, money laundering, illegal gambling, arms trafficking, counterfeiting, drug trafficking, extortion, funding of the Mumbai bombings, and funding of Al Qaeda and Leshtal Toiba, and match fixing in the IPL. So, this gives you an example of the scale of grips that are involved in match fixing and corruption of sport internationally.



Security Council Committee pursuant to resolutions  
1267 (1999) and 1889 (2011) concerning Al-Qaida  
and associated individuals and entities

1267/1989



DAWOOD IBRAHIM KHAN

Date of birth: [redacted] Summary (as available on the Committee's website): 7 October 2011

Dawood Ibrahim Khan was listed on 3 November 2002 pursuant to paragraphs 1 and 2 of resolution 1267 (1999) as being associated with Al-Qaida. Osama bin Laden or the Taliban for participating in the financing, planning, facilitating, preparing or perpetrating of acts in violation of, in conjunction with, under the name of, or behalf or in support of, "hosting, setting or transferring arms and related materiel to" or "otherwise supporting acts in violation of" Osama bin Laden, Al-Qaida (AQ, A.A. 87) and the Taliban.

Additional information:

Dawood Ibrahim Khan has used his position as one of the most prominent members of the Taliban network for most of the past two decades to support Al-Qaida (AQ, A.A. 87) and related groups. In particular, his criminal syndicate has been involved in large-scale shipments of securities, and has obtained its smuggling routes from South Asia, the Middle East and Africa with control for London (LONDON) and its control network. A financial arrangement was instituted to facilitate the usage of these routes. In the late 1990s, Khan traveled to Afghanistan under the protection of the Taliban.

Information from 2002 indicates that Khan had financially supported Al-Qaida-related groups such as Lashkar-e-Taiba (L/T) (AQ, L, 178-83). For example, this information indicates that he had been helping finance efforts in Gujarat, India, by L/T.

Khan is also wanted in India in connection with the 12 March 1993 Bombay Exchange bombings, which killed over 250 people and injured over one thousand more.

Khan, his criminal band known as "D" company and other associates continue to engage in criminal activity in India. This includes conspiracy to kill political leaders.

Relevant United Nations resolutions:

Al-Qaida (AQ, A.A. 87), listed on 3 October 2001

Lashkar-e-Taiba (L/T) (AQ, L, 178-83), listed on 2 May 2002

Al-Qaeda (AQ, A.A. 87), listed on 24 June 2004

Other groups that are involved include the triads, which are based in China, Russian organized crime, Yakuza in Japan with the sumo wrestling, Eastern European organized criminal groups, the Italian Mafia—so, we have some of the best organized crime groups in the world, who have been plying their trade for years, are embedded in societies, also involved in match fixing and corruption of sports. So, you are dealing with some of the best organized crime groups that exist. And the thing is that, no matter what these guys want to do, they will do it. They don't play by the rules. And they have boundless resources, more resources than we have. And they can exploit, infiltrate, corrupt any industry that they want to.

So, we're dealing with complex syndicates, and they have extensive international links. We know that, for example, the triads work with other groups in plying their trade—the same with the Yakuza. These three individuals here, down the right-hand side—Dan Tan at the top is being held by the Singaporeans at the moment. Raj Perumal in the middle and Ante Sapina—between those three individuals, there are literally hundreds of games, six, seven, eight hundred games in football, that have been fixed by these guys. Joiza Sapina—there's the Joiza affair—Dan Tan and Perumal acted for quite a few years. Rosh Perumal in the middle there was involved in the Southern Stars match-fixing in Australia. So, here you have an example of an international match fixer targeting Australia in a sub-elite sport to corrupt that, and money was going through Asian betting markets.

International investigations so far have only identified a small number of these players. Law enforcement has only been active in this space since about 2013, when the Europol investigation team targeted Dan Tan and Perumal. Joiza affair was done quite a few years ago by the Germans. But the key is that these match-fixing syndicates also use local organized crime groups to do their dirty work. So, they will develop associations with, say, Italian organized crime groups, who then have the contacts into the soccer teams, and they use them as basically the middlemen to do their dirty work. So, this is where I talk about these groups actually coming together and working together to corrupt the sports.

So, the key is that these guys are so good at what they do—they have the capacity and expertise to infiltrate and corrupt any sport. If they set their mind to it, they will corrupt

your sport, and that's just the basic message. So, if you want to talk about—the criminal infrastructure is already basically in place in Australia. All it's going to take is for that trigger to be pulled, and those associations to start to be used, and I'll explain basically how organized crime does its dirty work.

So, if you get onto the liquid betting markets, these figures are our best estimate. And we have Andy from Sport Rader here, who's an expert in his field, as well. But I just basically want to run through the way this market is structured. And basically, the regulated market, which is the Ladbrokes and the sports bets and the true regulated bookmakers that we know, that basically are signed off—the amount of money going through that market is about 91 billion. The key in the middle here is the Asian bookmakers, such as SBO Bet, Maxbet, and 188-Bet.

Now, originally, it was about 200 billion each that these guys were doing. We now know it's much in excess of that. We don't actually know, but we know it's in excess of this sort of money, because these guys actually are just clearing houses. They're actually clearing so much money through that money actually moves between and through all these different levels of the market.

And then you have the unregulated market, which is the true illegal bookmaking. And the reason that this market exists is because it's essentially the street markets that have now gone online. The gambling dens through Asia have now moved online, and there are massive amounts of money moving through this market here. Now, original estimates from the director of trading of the Hong Kong Jockey Club was that it's worth about a trillion dollars. He was at a conference in Doha a couple weeks ago, and he said he now believes that that market is now worth three trillion. So, the key is that it's not about—all you need to know is that there are massive amounts of money moving through the sports betting markets internationally. And if you go onto bookmakers like SBO and MaxBet, you can see the sort of markets that are being offered. SBO, on an average night, will offer 700 football games on the weekend, and they are football games from all over the world.

The other thing is that there has been Paul Fua, who was arrested by the FBI at the end of last year, just after the World Cup. During questioning by the FBI, his son disclosed that he was actually a shareholder of IBC Bet, which is also MaxBet. Paul Fua is allegedly a 14K triad member, so it's the first time we've actually identified triad ownership into these bookmakers. So, the other thing is that we know organized crime is present all the way through the unregulated market, and now we also suspect, through these partially-regulated or private-based organizations in locations such as the Philippines.

So, the other thing is that we know there are about two and a half thousand websites in Asia that are linked to illegal bookmaking. They are linked to and run by organized crime groups, particularly triads. The reason that they are so popular is because in Asia, they offer a superior betting product. The traditional lotteries offer, say, football and maybe basketball. These guys are offering the full gamut of games. They offer different leagues, different competitions. They offer credit betting, which the licensed operators don't offer in Asia. And

they have superior payout rights, so these guys will actually return more money to you with superior odds. The other thing is that these are completely anonymous. If we were to try to track the money going through these bookmakers, you can't do it, because there's an agent system base that sits below this, which is where you have other individuals that sit below this and actually act as people who move the money up into the market. So, there's basically the lower level, then it works up into one level of agents, then another level of agents, until it moves up into these bookmakers.

The other thing is that the Asian bookmakers have the ability to accept very large bets. If you were to walk into some of the Australian bookmakers and try and get the amount of money that these Asian bookmakers will accept, they basically wouldn't accept the money, because the Asian operators are dealing with so much money. They are accustomed and used to dealing with money from agents, and they are actually accustomed to taking very, very large bets.

And the other thing is that we know that, particularly in the middle here, SBO and IBC and MaxBet and that—they will actually tolerate losses from fixed events. So, if we look at Dan Tan and Raj Perumal, money was going through SBO, and the same thing with the Southern Stars. The money that was being bet on those fixed games in Victoria was being placed with Asian bookmakers, SBO Bet.

So, once again, if you want to just talk about comparisons, about how these markets compare, the UNIDC, which is the global body responsible for monitoring drug markets, estimates that the cocaine market is worth about \$94 billion. KPMG estimates that the illegal betting in India on cricket alone is worth around \$544 billion. So, it just gives you an idea of the problems and the resources that are devoted to trying to police the cocaine market. And look at the resources being devoted to policing sports integrity—they pale in comparison. And yet, the market is completely so much larger.

So, if you want to talk about vulnerable targets, essentially, organized crime is targeting any person who can manipulate an event outcome contingency, but also who can provide inside information. And that's a key point at the moment in the Australian markets, and that's what we see as one of the key risks at this point. Inside information—gambling is an information business. If you have information about a team composition, whose star player is playing that weekend, you have an advantage in that betting market.

So, basically, organized crime is targeting anyone who can provide that, so referees and officials—obviously, the role they play in games—players, for obvious reasons, athletic support staff for inside information. Grounds staff was all about betting markets, so that the bookie can understand. They're actually manipulating grounds staff to prepare wickets in particular ways to have results, and that's the level that we're going to. Administrators and managers, overseers—we know that organized crime has targeted groups to actually buy whole clubs, because when you own the club, you own the manager. You own the administrator. You own the players. So, if you spend a million dollars buying a club, you'll make that money back in one or two weeks on the betting markets, because you essentially

own that club. Club owners and player agents—player agents are an important group, because they have that direct association with the players, and we know of player agents in Australia who are managing young players who are linked to organized crime identities, and we know those contexts exist.

So, you can see it isn't any one group. It's basically everyone that's involved in sport that is potentially at a corruption risk or at risk of being corrupted. So, how does organized crime work? It's the tried and true methods that they've been doing for many, many years—illicit drug use, PEDs use, gambling, blackmail, targeted recruitment. The other thing is that, as mentioned, they're targeting clubs in financial distress. Which sporting organization is going to turn back a benefactor that walks in with a million-dollar check, or a half-million-dollar check? Most sports in Australia are struggling to survive as it is. How easy would it be for me to walk in with a nice, fat check, and I basically own your club from that point on?

So, going into the specific details now, illicit drug use—and we see this on a regular basis now, players being caught in the net—Karmichael Hunt associating with a guy who's involved in cocaine trafficking. He's immediately putting himself at risk of blackmail and extortion. If I'm that supplier, and I have the text messages saying that I'm supplying him with cocaine or have other evidence, and I say to Karmichael, "OK, this weekend, you're going to do this for me," and he goes "No," I say, "Well, what about this? What's this going to do to your career?"

And the other thing is that we now know that the levels of illicit drug use across Australian sport are much higher than is being officially reported. Illicit drug use across Australian society is problematic at the moment. We have problems with ice and meth and things like that. Sports players are no different. So, we know that there are quite a high percentage of players who are engaging in illicit drug use.

Performance enhancing drug use—this was a raid on the Rebels up in Queensland about a month ago. When this raid was done, cocaine, steroids, guns, and an under-19 football player was picked up in that raid, as well. What we know is that organized crime, and Simon mentioned it, has aggressively moved into the distribution of PEDs, because they're making a lot of money out of it. Demand is so buoyant, and demand is so big for steroids at the moment, that organized crime has moved wholesale into distribution of steroids and other agents, because they're making a lot of money out of it, and in most jurisdictions, the penalties are actually quite low.

So, what's happening is that we're actually starting to have players who are using PEDs, and organized crime, who now have a major role in that market. Once again, the two worlds are bumping up together again—the players, the athletes in sport, and organized crime. The other thing is—and this is an example of a number of the substances—it isn't just anabolics anymore. There are a whole range of substances that are being distributed that have the same sort of effects. Ones that came up are GHRP2, GHRP6, Beta-4, aodine9604, CJC1295—where these are coming from is that a lot of these were done from clinical trials, so they were actually all pharmaceuticals that were dumped from clinical trials. So, CJC1295

was withdrawn from clinical trials because it was causing abnormal rates of myocardial infarction. So then, we have organized crime, who are now involved in distributing these through online and pushing them onto the market.

And they're making a lot of money. Demand for peptides and hormones is absolutely booming, as well, because the reason is—if you're on a steroid cycle, you can actually go off your steroid cycle and go onto these, and you'll hold your gains. And the thing is that these aren't detectable, or are very hard to detect. And they're getting a fairly good rap in the bulletin boards and discussions and things like that.

So, you can see—I'll just read you some of the ones down the side there—the other thing is that we're seeing a constant stream of new substances being put onto the market—ipamerillin, pegledated growth affecter, ICE031, which came out after the Perry investigation—and they also sell them in packs, as well, so there's the muscle enhancer pack, the anti-agent pack, the fat loss pack, and the injury rehab pack. All of these levels—they'll send you syringes as well, so they'll give you the whole package in one. The key to this is that the Internet has fundamentally changed supply lines, so you don't need a supplier anymore. It's actually shortened supply chains. So, instead of it going from a

The image is a screenshot of a website's product page. On the left is a vertical navigation menu titled 'BROWSE OUR PRODUCTS' with various peptide and hormone categories. The main content area features a large banner for 'THYMOSIN BETA 4' with a list of benefits and a 'CLICK HERE FOR MORE INFORMATION' button. Below the banner are several smaller product category tiles: 'MUSCLE ENHANCERS', 'ANTI-AGING', 'FAT LOSS', 'INJURY REHABILITATION', 'MIXING & SYRINGES', 'GHRP PEPTIDES', 'GHRH PEPTIDES', and 'IGF-1 PEPTIDES'. On the right side, there is a 'PRODUCT REVIEWS' section featuring a review for 'Melanotan II - 10mg'.

producer to an importer to a high-level distributor to a low-level distributor to a user, it goes from producer, like this, to a user. So, anyone—you don't have to find a dealer anymore. You can actually just log online and buy these things. So, we actually find in other drug markets that supply chains have become significantly shortened as a result of the Internet.

Talk about gambling—this was in the paper with the IFL players, David Schwartz talking about problems in gambling across sports. This was in the paper quite a few years ago,

Brendan Favola. This is a bit hard to read, but I'll read you the email on the left. "Hi, Brendon. The bets that I'm aware of are—Bet Easy is at \$40,000 and will accept 20. Sports Bet said they've written off \$31,000, which leaves 10. Steve Fletcher"—which most people in New South Wales should know—"is owed 20,000 dollars and will accept \$12,000. Peter Wilson has sold you a debt of 46,000 to someone who I've spoken to, and he will cop 23. Sporting Bet, I think, will accept 5. The debt is 10."The minute that a player finds themselves in a position where they owe money, they're vulnerable to exploitation. And once again, we're finding athletes putting themselves in these positions where their integrity could be compromised relatively easily, and this is how easy it is, and these are the holes that some of these players are finding themselves in.

So, we know organized crime is involved in acting as standover agents, and in acting as loan sharks, and things like that. So, when you're hard up for cash, where do you go? You go to the loan shark, and he'll help you off. But the loan shark is involved in organized crime or the bikies, and you get yourself in a whole new world of trouble by interacting in this world.

The old honey trap has been around for many, many years, and continues to be used. This was an example in the IPL where cheerleaders were removed from the IPL because they had links to Eastern European organized crime groups. So, the Eastern European organized crime groups were providing the girls, who were going to the IPL parties, associating with

## **IPL pulls up stumps on cheerleaders after fears of links to organised crime**

BEN DORRIES IN RANCHI, INDIA. THE COURIER-MAIL. SEPTEMBER 21, 2013 10:57PM



the players, and you can just see how things evolved from that. And the IPL parties were

famous for what went on at those parties, to the point where they've now been stopped, where you had organized crime associating with the players, and the cheerleaders and all the other girls in the rooms.

So, once again, players who are married men are finding themselves in situations where photos are being produced. What position are they finding themselves in when a photo is produced and they've said, "Well, I'm going to go to your wife now, so this is what you're going to do for me"? And this is how easy it's happening.



[http://sport-integritys3.amazonaws.com/Michael\\_Franzeze.mov](http://sport-integritys3.amazonaws.com/Michael_Franzeze.mov)

So, this is a video that was prepared by Sport Accord. It involves Michael Franzese, who is a capo for the La Cosa Nostra, Italian Mafia based in the U.S. And he'll just talk you through some of the things that he used to get up to with his business.

**Video script:** I'm not going to sugar-coat anything. That life, at times, is a violent life. And if you had to use the threat of violence or violence itself to get your jobs done, you do it. And unfortunately, I know of cases where an athlete was put in the hospital or handicapped in a way that he couldn't play the game. It happens.

I'm Michael Francese, and for almost 20 years of my life, I was a made man in the Colombo crime family in New York, one of the five New York La Cosa Nostra families. And I was involved in gambling. I had a major gambling operation. When you're involved in that life, some way, somehow, you're involved in gambling. And I had, at any point in time, 12 or 13 bookmakers working for me.

Obviously, their targets were always athletes. They're pretty easy to exploit. And you know, to me, it was great business. If we can get athletes going along with us to compromise

the outcome of a game, terrific, because there was big money in it. So, it was major, major business for me. In life, it says that when you borrow money, you become a slave to the lender. Well, when you're an athlete, and you get involved with a gambler, you become a slave to the fixer. It's the same thing. You're going to do his bidding. Once you cross that line, do one thing for that gambler, you become his slave.

You know, we used to hang out in some of the clubs in Manhattan, Brooklyn, where a lot of the college teams would come in and play, St. John's, some of the major universities. And a lot of these basketball players would go to the same clubs. They like to hang out. They like to party. My guys love to party. We live for that. And we'd get our eye on one or two of the guys and wine them and dine them—"Hey, come on over to the table! We're your friends. Sit down. Have a bit to eat. Bring a few women over. Give them attention." And these are women that we knew, probably had something to do with the club most of the time. And you kind of bring this along once, twice, three times, four times. Finally, you set them up for the conversation, because we're friends now. "Sit down. Let me talk to you."

And I'd say, "Listen, you're a smart guy. I'm your good friend. Let me tell you how you're going to make some money"—10 grand in my pocket, pull it out, put it on a table in front of him, more money than they've ever seen in cash in their life. Once they get into us, so to speak, then they do whatever they're told to do, and that's it.

And inevitably, the scenario that I just described always turns. And the way it will turn is this. Athletes have a harder time underperforming than they do overperforming, because they're athletes at heart, and especially these young kids in college. These are not criminals right off the bat. These are young kids. And it gets into their heads, and eventually, they'll come back and say, "You know what? I have 20 grand, 30 grand, 40 grand. I can't do this anymore. It's getting to me. Thank you very much for the opportunity." And my response was always the same—"Excuse me? We had a deal. You don't break your word with me. You've got 10 games to go. You're done when I tell you you're done. That's it." Again, there's no love relationship between a mob guy and whoever their player is, or their pawn, or whoever it is. They're there to make money, and that's it.

I've been to every major league baseball team, most of the NFL, all the NBA, and over 400 universities here in American sports, every student athlete. You would be surprised how naive these people are. They know what they're doing on the field, but they're very naive when it comes to the business of gambling. When I do a football team, I'll get the biggest guy in there, usually a guard or tackle, and say, "Stand up." They get all nervous. "Stand up. What are you worried about? You're three times my size. Stand up." And he'll stand up, and I'll say, "You're pretty good on the field. I wouldn't match up with you in any way, shape, or form. But I'll tell you what. You cross this line and you come into my business, the business of gambling, and I'll make a sissy out of you, because I don't play by the rules, and I'm not afraid to hurt you, and I'm not going to fight you." I'll say, "I'll get you the way I have to get you. So, you don't want to know somebody like me."

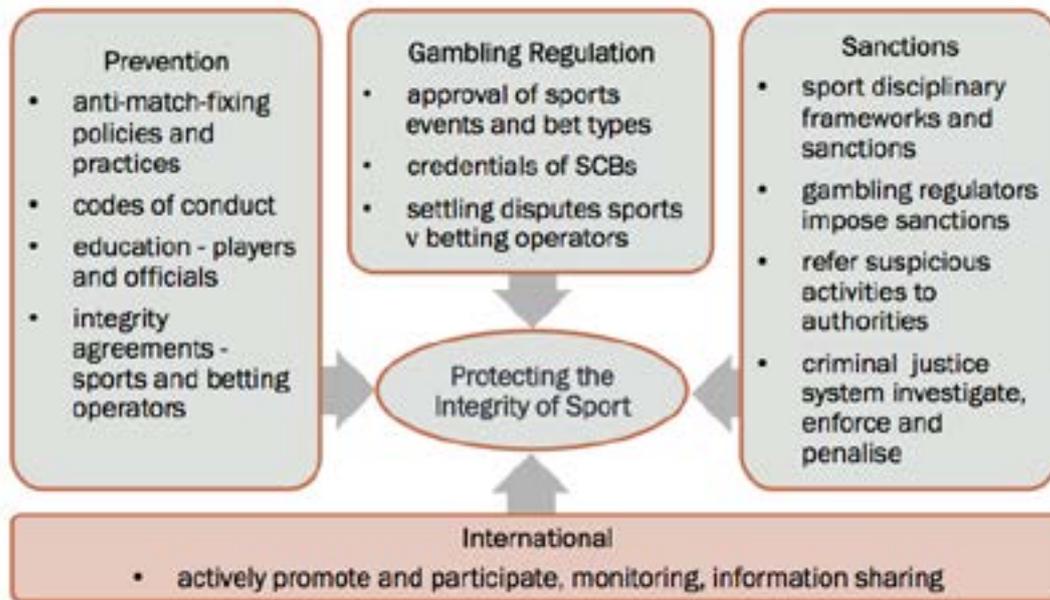
**Damien:** So, basically, it has all the elements that we talked about, university players, naive athletes, night clubs, girls—you're hearing it from the horse's mouth. The key is that we now know that we know organized crime and how it works. We talk about the amount of money that it can make. We now know that there are betting markets on sub-elite sports in Australia. So, basically, all the factors that we need present are starting to sort of come together. The betting markets on sub-elite aren't massive, but a couple weeks ago, I looked online at SBO. There was a suburban football game being offered by an Asian bookmaker, and it didn't just have a single market. It had five separate markets going on that suburban game. It was offered live. So, it shows that there's sufficient liquidity and interest in those markets that the Asian operators are running those markets.

The other thing is that the sub-elite markets and these lower-level markets are quite popular with professional gamblers, because they believe the bookmakers haven't got the odds right. The bookmakers have EPO and the big games priced absolutely perfectly, but professional gamblers start targeting these smaller-level leagues, because they believe the odds may not be quite right, and they can make more money out of that.

So, what we've done to work towards addressing this is that, back in 2011, the Australian government recognized, and the state governments recognized, the threat that was being posed to Australian sport, and developed the national policy on match-fixing. It was supported by all Australian governments, commonwealth, state, and territory, Australian sports, and the sports betting industry. What that does is sets out the roles and responsibilities of each of those groups, because this isn't a single issue that can be addressed by anyone. Everyone has to come together to work towards this, because there are so many different players in this world, and so many different moving parts.

So, what it does is actually involves corporations, spells out how we're going about addressing that, and this is a sort of a schematic of the way this works. Looking at prevention, there have been a lot of working relationships in getting good legislation in place so that Australia is one of the only places in the world that has specific match-fixing legislation across most of the states here in Australia. So, when the police actually go and do a match-fixing job, they have specific legislation carrying a 10-year jail term. And the reason for that was so we had telephone intercept powers, because you need telephone intercept to understand what's going on.





Good, strong code of conduct—sports have the power to conduct investigations, and players and officials and everyone know what their responsibilities are about inside information and things like that. Education is essential, making sure that people understand the world that they’re now finding themselves in, and what they have to do to protect themselves. And integrity agreements exist between sports and betting operators that allow information exchange so that, if there’s a suspicious bet on a game, that information can be exchanged between those agencies.

Gambling regulation is looking at providing a strongly regulated gambling environment in Australia. Our aim is to try and keep as many people onshore as we can. We don’t want parties going overseas, because you lose visibility of what’s happening once the parties go overseas. So, as much as we can keep Australian parties onshore, it’s actually advantageous for us, and is actually better for us, from an integrity perspective, because we can actually see what’s going on in those markets.

And then, sanctions—once again, we talked about the carrot-and-stick, so having strong sanctions, not only criminal sanctions, but also sanctions for sports—and basically, all of this is coming together. And there’s a lot going on internationally, so NISU is working a lot with the European Convention with sport, the AICC. There’s a lot of work going on internationally, because internationally, it’s recognized that it’s a threat that sport is now facing. So, that basically gives you an understanding of what’s going on there.

The other thing is that there have been online resources. We talked about education. So, there were specific templates that were developed by NISU that allowed sports to basically lift these templates and drop them into their sports, and then they’d have a match-fixing policy. There’s the Keep Sport Honest, which is an online package, which is aimed at teaching athletes about how to protect themselves, how to not expose yourself to integrity threats, and what to do in those situations. So, there’s been a lot of active work with the NSOs and getting sports to engage in those resources.

*“Just be pragmatic, and start thinking about how your sport could be infiltrated or manipulated, and how you could actually go about reducing those vulnerabilities.”*

We also have code-of-conduct templates, as well. So, we basically wanted to make it as easy as we could, so we'd have resources for the sports, so they could drop them into their own sport. So, I think the issue is that we want you to think about it. Don't just think this isn't going to happen to you anymore. What we're saying is—we're not saying you have to build this sophisticated integrity framework. All we're saying is, “Just be pragmatic, and start thinking about how your sport could be infiltrated or manipulated, and how you could actually go about reducing those vulnerabilities.”

The NISU has been doing a lot of work in actually understanding the threat and vulnerability profile across Australian sport, so we actually have a pretty good understanding now of which sports the threat is greatest, and where the vulnerabilities actually lie across Australian sports. And some people here have actually engaged in that process.

Education and prevention is absolutely essential, and that's the first step, actually getting this out and educating people as much as we can about what's happening and how this world works. What we're saying is also—start asking questions. Know who's hanging around your club. Know who's around your players. Start asking questions about sponsors and benefactors. If you have a guy that comes out of nowhere and offers you a half-million dollar check, why is that the case? It's the old adage—if it sounds too good to be true, it most probably is.

We have had examples where criminal individuals have offered to buy clubs, or offered to provide sponsorship, because it gives you access into that world. It gives you access to the club. You become a club patron, and all of a sudden, organized crime has this special role in the club. Overseas, there was a lot of work done, and what they actually found was that organized crime was actually using sports to image-wash itself, so that the organized crime identity walks in. They become the sponsor of the club. And all of a sudden, they become this legitimate person who's this great patron and benefactor of the club. So, we know that organized crime is actually using sport to wash its image and clean its image up.

Know who's around your club. And that's the key thing, as well. If people just swan in out of nowhere, start asking questions about who they are. Where have they come from? Just do some background checks on people, and just ask around. Sport is this pretty small world. Actually, the word would get around quite fast if people actually asked some questions. The other thing is that we sort of see sub-elite sports as the soft underbelly of sport at the moment. If we know those betting markets, putting an operation in the sport to buy

an athlete would be relatively easy at the sub-elite level in Australian sport, because they don't cost much. They don't make a lot of money. They haven't gone through the integrity training. And so, we actually see sub-elite sports, at this point, as a bit of a soft underbelly.

But we're also talking about protecting the sub-elite sports as protecting Australian sport for the future, as these athletes work their way through the system, and if they actually make it up to the elite level.

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