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Global Match-Fixing and the United States' Role in Upholding Sporting Integrity

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Global Match-Fixing and the United States’ Role in Upholding Sporting Integrity

Kevin Carpenter*

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INTRODUCTION

Match-fixing has never been more prominent on the global stage than at the current time for a number of reasons including: the badminton scandal at the London 2012 Olympic Games, the recent Europol announcement that 680 soccer games were suspected of being fixed worldwide implicating 425 match officials, club officials, players and criminals¹, and the arrest and questioning of some of the most wanted criminals in the field.² Yet in the United States, considered one of the big closed danger markets for sports betting³, it does not appear to be particularly high on the agenda for government or sports governing bodies (‘SGBs’). This opinion piece will explore and explain various

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1. ‘Update – Results from the Largest Match-Fixing Investigation in Europe’, europol.europa.eu, 6 February 2013

2. ‘Football match-fixing suspect arrested in Italy’, BBC News Europe online, 21 February 2013

3. ‘Match-fixing: a winnable war?’ Panel at Sport & iGaming conference 2012, London, 29 November 2012

aspects of match-fixing and why the US has an important role in the fight.

I. WHAT IS MATCH-FIXING AND WHAT ARE THE DRIVERS?

There is no one settled definition for match-fixing, however I formulated the following for a presentation I gave back in 2011 which I believe encapsulates it most succinctly: *A dishonest activity by participants, team officials, match officials or other interested parties to ensure a specific outcome in a particular sporting match or event for competitive advantage and/or financial gain which negatively impacts on the integrity of the sport.*

This can then be broken down into two strands: betting-related match-fixing (largely illegal betting) and sporting match-fixing (non-betting related). There has been far greater focus on the former principally due to the vast sums involved, with it being suggested by INTERPOL (the international police organisation) that sports betting has become a \$1 trillion a year industry.⁴ There is also the overarching and menacing presence of organised crime, a term which has a greater impact on key stakeholders, particularly politicians, than match-fixing.

It has been repeatedly shown that betting-related match-fixing is driven by high level and increasingly sophisticated criminals, be it the mafia or illegal gambling rings in Asia for instance.⁵ They have been able to take an increasing stranglehold on sports as a direct consequence of globalisation⁶ The following have flowed from an ever globalised world to provide greater opportunities for corruption through sports and gambling and therefore new challenges for all stakeholders in sport: the number of betting possibilities (including the advent of in-play betting and spread betting), betting exchange and great advances in technology.

II. RECENT MATCH-FIXING IN GLOBAL SPORTS

Whilst it is interesting to discuss match-fixing in the abstract it is equally important to provide real instances of where match-fixing has taken place in the past few years.

Being the biggest sport in the world by viewing figures and participation it is hardly surprising that soccer has been targeted, with a significant degree of success, by match-fixers. A number of match-fixing scandals across Africa and Asia (dubbed 'Asiagate') have surfaced in this time, many of them linked with the notorious Singaporean match-fixer Wilson Raj Perumal and the global operation run through his shady Football4U company, through which he has

4. 'Fifa determined to tackle international match-fixing', Bill Wilson, BBC News Business, 10 October 2012

5. 'Study - Sports betting and corruption: How to preserve the integrity of sport' at page 27, IRIS, University of Salford, Cabinet Praxes-Avocats & CCLS, 13 February 2012

6. 'Match-fixing: How gambling is destroying sport', Declan Hill, BBC Sport, 5 February 2013

profited from the vast sums made by Asian gambling syndicates.⁷ The striking nature of these investigations especially for the world governing body of soccer, Fédération Internationale de Football Association ('FIFA'), is that they involved the alleged fixing of senior international matches. Concerns first came to light in Zimbabwe when the football association ('ZIFA') revealed in February 2011 that there was an investigation taking place into tours in which the national team had taken part in between 2007 and 2009. Players involved in those tours subsequently admitted to throwing matches for money.⁸ The probe revealed that not only had Asian gaming syndicates paid each player in the Zimbabwe squad \$3,200–\$4,500 in cash for each match lost, but also that in July 2011, Monomotapa Football Club had twice impersonated the country's national team and played Malaysia in international friendlies. As planned, they lost 4-0 and were handsomely rewarded. It has since been announced that 80 Zimbabwean footballers have been suspended by ZIFA pending the outcome of hearings in front of a newly established independent ethics committee. The international friendlies are thought to have been arranged specifically for the purposes of match-fixing through sports betting.⁹ These scandals undermined the entire sport in the country. This culminating recently in ZIFA President Cuthbert Dube questioning the integrity of the team in its most recent match, having let a 3-1 lead slip to miss out on qualification for the Africa Cup of Nations, and disbanding the team soon after. This suspicion may have stemmed from the players having told the ethics committee that during the infamous 2009 tour representatives from betting syndicates were present in the changing room at half time dictating to them how the game should unfold!¹⁰ Mr Perumal was caught in the act back in 2011, imprisoned in Finland for a year, and is currently in protective custody in Hungary.

Italy, a nation somewhat notorious in this area, was the subject of yet another tranche of allegations and prosecutions last year. The highest profile actor caught in the crossfire on this occasion was current Italian league champions Juventus, who have a chequered history as regards match-fixing¹¹, with their manager Antonio Conte being served a four month ban (reduced from 10 months upon appeal) for failing to report allegations of match-fixing during his tenure at Siena.¹² There were also the extreme actions of Verona striker Emanuele Pesoli who held a four day hunger strike whilst chaining

7. 'Zimbabwe: Fifa Praise Asiagate Measures', Hope Chizuzu, *The Herald*, 14 February 2012

8. 'Corrupt players will be punished – Zifa chief', Farayi Mungazi, *BBC Sport*, 25 February 2011

9. 'Zimbabwe suspends 80 footballers as part of 'Asiagate' match-fixing probe', David Smith, *The Guardian online*, 1 February 2012

10. 'Zimbabwe chief disbands team', Associated Press, *ESPN SoccerNet*, 2 November 2012

11. See 2006 *Calciopoli* scandal (sporting related match-fixing)

12. 'National Court for Sports Arbitration issued its final ruling on Antonio Conte's position', *Italian Sports Law Research Center, LawInSport*, 1 November 2012

himself to the Italian football headquarters following a three year match-fixing ban being imposed upon him.¹³ Perhaps of greatest concern was player Simone Bentivoglio describing an “atmosphere of complete terror” in Italian football having accepted a plea bargain for charges brought against him.¹⁴

Tennis has also seen itself at the centre of more than a handful of match-fixing controversies. Perhaps the most high profile case being in 2007 when Nikolay Davydenko, ranked number four in the world at the time, was involved in a match which betting exchange Betfair said bore all the hallmarks of having been fixed, with around \$10 million having been placed on the game, most of which was placed on his lower ranked opponent. Despite being cleared of all the charges, and therefore innocent in the eyes of the law, Mr Davydenko has been associated with Alimzhar Tokhtakhounov, who in 2002 was accused by the FBI of fixing figure skating events at that year’s Winter Olympics in Salt Lake City.¹⁵

The tennis authorities continue to keenly monitor and investigate alleged instances of match-fixing activity. The Association of Tennis Professionals (‘ATP’), organiser of the worldwide tennis tour for men, handed down a life ban and \$100,000 fine to Austrian Daniel Koellerer, who had been as high as number 55 in the world. He was found guilty of three offences in relation to match-fixing, both of his own matches and trying to coerce other players to participate in match-fixing between October 2009 and July 2010.¹⁶ Koellerer appealed to CAS in November 2011 but this was rejected.¹⁷ In 2012 CAS once again sided with the tennis authorities in the face of an appeal against a life ban for match-fixing, this time by Serbian player David Savic, “The CAS Panel rejected the Player’s arguments and concluded that the disputed facts had been proven not only by a preponderance of the evidence, but indeed to the Panel’s comfortable satisfaction.”¹⁸

Even though the above are just a small flavour of the breadth and depth of match-fixing it shows that it is a worldwide, large-scale, multi-discipline problem which creates significant difficulties in terms of detection and prevention. As INTERPOL Secretary General American Ronald K. Noble said in 2012, “As corruption in sports has become a global concern, our response must be global and holistic.”¹⁹

13. ‘Emanuele Pesoli ends hid hunger strike over match-fixing ban’, BBC Sport, 15 August 2012

14. ‘Midfielder tells of ‘terror’ in Italian game’, Adam Digby, ESPN Soccer.net, 24 August 2012

15. ‘Match-fixing in tennis’, David White, Tennisbet.com, 26 June 2009

16. ‘Former world No 55 Koellerer banned for life as tennis tackles match-fixing’, Mike Dickson, Daily Mail online, 31 May 2011

17. CAS 2011/A/2490 Daniel Kollerer v Association of Tennis Professionals, Women’s Tennis Association, International Tennis Federation & Grand Slam Committee

18. ‘Media Release: The Court of Arbitration for Sport confirms the life ban imposed on David Savic but lifts the fine’, tas-cas.org, 6 September 2012

19. ‘Keeping sport clean needs enhanced policing and prevention, INTERPOL Chief tells summit’, Interpol.int, 25 April 2012

III. HISTORY OF MATCH-FIXING IN THE UNITED STATES

Match-fixing is not a new phenomenon to the US or American sports. Indeed one of the most famous (or infamous depending on your view) proven cases came from the 1919 baseball World Series involving the Chicago White Sox. The match-fixing conspiracy was organised by White Sox player Arnold “Chick” Gandil who had longstanding ties to underworld figures, including New York Gangster Arnold Rothstein who financed the caper through his lieutenant, a former boxing champion. Gandil enlisted several of his teammates who were motivated by the resentment for the club’s owner who had been underpaying his players for some years. A year later a Grand Jury was convened to investigate the alleged scandal, which had been rumoured even before the Series has started with a sudden spike on the Sox’s opponents the Cincinnati Reds. The investigation led to life bans from the sport for all eight players involved.²⁰ The delayed payment or non-payment of players is still a significant reason why players agree to fix matches in other sports today.²¹

College basketball has also been subject to a number of match-fixing scandals.²² In 1951 a various schools, including City College, Manhattan College and Kentucky, were implicated in point shaving scandals which led to the arrest of 32 players, who had fixed 86 games in total, and suspensions from the NCAA. The fixers themselves, Cornelius Kelleher and brothers Benjamin and Irving Schwartzberg, who were bookmakers and convicted felons, were also booked on bribery and conspiracy charges.²³ Point shaving is the (highly illegal) act of purposefully holding down the score of a sporting event in order to impact who will win bets against a point spread.²⁴ It is a form of match-fixing more widely referred to as ‘spot-fixing’. Spot-fixing does not involve making sure a team loses a game, rather it is actions taken to ensure certain events take place during the game, and is exclusively within the realm of betting-related match-fixing.

The most high-profile instance of match-fixing in recent US sports history was that carried out by former NBA referee Tim Donaghy. This was yet another series of incidents of point shaving which were investigated and made public by the FBI, who has its own division of officers specifically tasked with dealing with gambling and fixing in sports.²⁵ Donaghy was found to have bet on games in which he had officiated, and made decisions affecting the point

20. ‘Integrity in Sport: Understanding and preventing match-fixing’ at page 9, SportAccord, November 2011

21. See FIFPro Black Book Eastern Europe, Section 5.5.2, February 2012

22. See also these scandals: 1959 – NBA, Jack Molina and a suspected mafia murder; 1978 – Boston College, betting syndicates and organised crime

23. ‘Explosion: 1951 scandals threaten college hoops’, Joe Goldstein, ESPN.com, 19 November 2003

24. ‘What is Point Shaving?’, Charlie Zegers, basketball.about.com, accessed 26 February 2013

25. ‘Integrity in Sport: Understanding and preventing match-fixing’ at page 43, SportAccord, November 2011

spread in those games, during the 05/06 and 06/07 NBA seasons. He pleaded guilty to two federal charges related to the investigation and was sentenced to 15 months imprisonment, followed by three years of supervised release. This led to the NBA revising the guidelines on the behaviour of its referees, it having been revealed that, despite a ban on gambling in their contracts, all of them admitted to having engaged in some form of gambling.²⁶ It had been suggested by a prominent bookmaker that referees had to be the prime suspects because the players make too much money to risk losing their careers over match-fixing.²⁷ I have heard this defence raised a number of times in the US where match-fixing is concerned. However, the Bountygate integrity scandal, where some New Orleans Saints players intentionally broke the NFL rules for as little as \$1000 when they were earning millions each season, dispels this theory I suggest.

Just over the border the US's North American cousins have had the most recent problems with match-fixing. Last September a television programme was aired on the Canadian Broadcasting Corporation news channel revealing that at least one game in the semi-professional Canadian Soccer League ('CSL') had been compromised by match-fixing.²⁸ This was discovered having obtained the wire-tap evidence from the Bochum trial, the biggest match-fixing case ever to come to trial, which centred on a Europe-based crime syndicate that made a reported \$9.8m profit from corrupting players, referees, coaches and federation officials.²⁹ Many of those involved were given severe prison sentences by the German court. These revelations led the Canadian Soccer Association ('CSA') to sever its ties with the CSL by refusing to sanction it. More worryingly, anonymous sources admitted that the CSA isn't equipped to tackle the domestic match-fixing problem.³⁰

IV. THE SERIOUSNESS OF THE THREAT AND WHY FIGHT IT?

As a major fan of US sports born across the Atlantic it has always seemed that US sport is as much about entertainment as it is about the eventual outcome, which is of course much of its attraction. Yet as a result sometimes the integrity of the sport is conveniently put to the back of the minds of SGBs and fans alike. Take doping in baseball for example and the Balco scandal (among others). So perhaps it is reasonable to ask: if a contest is more intense and entertaining then why worry about match-fixing?

What if you were told that the illegal gains from match-fixing represent up

26. 'NBA to revamp ref gambling rules; Jackson, Nunn see roles reduced', Chris Sheridan, ESPN.com, 26 October 2007

27. 'Expert explains the many ways a crooked referee could fix bets', Wayne Drehs, ESPN.com, 23 July 2007

28. 'EXCLUSIVE: Canadian soccer match fixed by global crime syndicate', CBC.ca, 12 September 2012

29. 'EXCLUSIVE: Canadian soccer match fixed by global crime syndicate', CBC.ca, 12 September 2012

30. 'CSA cuts ties with Canadian Soccer League', Ben Ryecroft, CBC.ca, 31 January 2013

to \$8.8 billion, which is six times more than the global trade in illegal small arms?³¹ Or that in South Korea in 2011 a soccer player was found dead in a hotel room accompanied by a suicide note referring to a match-fixing ring?³² Or the possibility that soccer players are being trafficked from Africa to play in minor professional soccer leagues (perhaps in the US), told to match-fix and then being abandoned? Another quote from Ronald K. Noble of INTERPOL may convince you, “Organised criminals frequently engage in loan-sharking and use intimidation and violence to collect debts, forcing their desperate, indebted victims into drug smuggling and their family members into prostitution”.³³ This shows not only are we dealing with vast sums of money and organised crime but also facing other related heinous crimes as duress through the threat of violence, human trafficking and money laundering.

Given all of this, what steps do SGBs in the US take to ensure their prized sports are not beset by match-fixing and its associated evils?

V. CURRENT APPROACH TAKEN BY US SPORTS GOVERNING BODIES TO MATCH-FIXING

It is widely viewed, although not by all (including myself), that the ultimate responsibility to keep sport clean from match-fixing lies with SGBs. In a report undertaken for the UK Government in February 2010 by the Sports Betting Integrity Panel (‘SBIP’) the Panel formulated a uniform code of conduct on integrity which it recommended should be implemented across all sports. As part of its report, in coming to the code, the SBIP examined how 12 major SGBs each dealt with the following threats:

1. Placing a bet;
2. Soliciting a bet;
3. Offering a bribe;
4. Receiving a bribe;
5. Misuse of privileged/inside information;
6. Failing to perform to one’s merits; and
7. Reporting obligations.

Worryingly, in 38% of instances the SGBs made no provision for at least one or more of the threats, indeed the IAAF (athletics) and Royal & Ancient/PGA (golf) made no provision in their rules for any of the seven.

Thankfully the major US sports all have rules in place for direct participants, be they players, officials, coaches etc., in relation to betting. In

31. ‘Integrity in Sport: Understanding and preventing match-fixing’ at page 34, SportAccord, November 2011

32. ‘Match-fixing South Korean footballers banned for life’, BBC News Asia-Pacific online, 17 June 2011

33. ‘FIFA’s historic contribution to INTERPOL in fight against match-fixing’, FIFA.com, 9 May 2011

fact the NCAA takes the hardest stance on this issue.³⁴ However I doubt that they cater for all of the seven threats. Number 5 is becoming an increasing problem in the match-fixing field, especially with the advent of social media, as players can reveal information sensitive to betting such as injuries on the roster and team selections.

Many of the deficiencies that US SGBs have in their rules could be remedied by developing a closer relationship with legitimate betting operators, be this through specific anti-corruption units, early warning systems or memorandums of understanding. Major League Soccer ('MLS') is to be applauded as they utilise FIFA's own Early Warning System which monitors betting patterns in legalised markets, including Las Vegas. MLS will also from next season be banning mobile phones and other electronic devices from the locker rooms from 60 minutes before and throughout the game.³⁵ So why won't US SGBs in general engage with betting operators?

VI. THE US ATTITUDE TO SPORTS BETTING

A great deal has been written on sports betting in the US in the past 12 months or so given the high profile litigation currently taking place between the State of New Jersey on one side and the NFL, NBA, NHL, MLB, NCAA and the Department of Justice on the other regarding the constitutionality of the Professional and Amateur Sports Protection Act ('PASPA') (more below). I will not be going into the details of the case but it does highlight some important historical and policy issues that can be seen to impact the fight against match-fixing.

From the scandals described earlier sports betting has always been present, and indeed prevalent, in American society. To give an indication of the scale of sports betting in the country one study estimates that in 2008 \$2.8 billion was wagered legally in Nevada, compared to \$380 billion wagered illegally across the US.³⁶ However historically there has never been effective regulation of it by either state or federal government. This came to a head in 1992 when the professional and college sports convinced Congress to pass PASPA into law, making betting on sports a federal offence in all but four states, the principal of which being Nevada for Las Vegas. They convinced Congress to do this on the following grounds:

1. Stopping the spread of sports gambling;
2. Maintain sport's integrity; and
3. Reducing the promotion of sports gambling among America's youth.

34. 'Integrity in Sport: Understanding and preventing match-fixing' at page 43, SportAccord, November 2011

35. 'Here's Why Soccer Match-Fixing Is Not a US Problem', Brian A. Shactman, CNBC.com, 5 February 2013

36. 'Game Over? The Potential Demise of the Professional and Amateur Sports Protection Act', Jason J. Ranjo, Rutgers Law Journal, Volume 42:213

Although the message PASPA continues to send out in reality is: we know sports betting is happening (and on a grand scale), but due to the perception across the US that gambling is an evil in society, we will drive it further underground into the black market and ignore it! This reasoning is counter-intuitive at best, especially in the context of protecting the integrity of sport.

US SGBs are also accused of hypocrisy and the selective application of integrity where sports betting is concerned. Just this past season in the NFL, the referee lockout during the early weeks of the season, and the numerous blatant errors made by the replacement referees, led to howls of derision that the replacements, and especially the league, had seriously compromised the game's integrity. One article even went as far as to say that, "Roger Goodell's (the Commissioner of the NFL) stance on sports betting has become almost disingenuous [as a result]."³⁷

When one looks at Great Britain, considered one of the most liberal jurisdictions for sports betting but also one of the best regulated by the Gambling Commission ('GC'), the stance taken by US SGBs appears even more irrational. The GC was set up under the Gambling Act 2005 to regulate commercial gambling in Great Britain. It is an independent non-departmental public body sponsored by the Department for Culture, Media and Sport³⁸ (no such equivalent department exists within US government). Ever since its establishment the GC's remit covered sports betting and betting integrity issues. It has also has an intelligence unit specifically for betting integrity.³⁹ Since it became operational in September 2007, despite the amount of betting on sport and advertising by bookmakers (both onshore and offshore), there have only been two significant match-fixing issues, both in cricket, which suggests the model is working well.

However what the GC, and other national regulators around the world, freely admit is that they only have jurisdiction for their own territory. They do talk to other regulators, share their experiences with them and provide intelligence to other countries when asked but they can't force other countries to take action. Which is where the US, and other illegal gambling markets, must begin to engage and alter their regulatory frameworks. The European Union are going through a similar process at this moment in time. After all, match-fixing is a problem that can only be effectively tackled by concerted action on a global scale.

VII. EUROPE LOOKING TO LEAD THE WAY

European political institutions have taken it upon themselves to lead a coordinated and (hopefully) coherent fight against match-fixing. The European

37. 'NFL Replacement Referees Have Compromised The Game's Integrity And League's Position on Sports Betting', Darren Heitner, *Forbes.com*, 23 September 2012

38. 'About Us', gamblingcommission.gov.uk, accessed 27 February 2013

39. 'Betting in sports and integrity at the London Olympics: an insight from the UK Gambling Commission – Part 1', Kevin Carpenter, *LawInSport*, 26 July 2012

Union ('EU') is approaching this in a number of ways.

One being by working with the Council of Europe ('COE') towards a possible international legal instrument against the manipulation of sports results, notably match-fixing ('the Convention').⁴⁰ Functions of the Convention are intended to include (amongst others):

- Betting monitoring systems:
- Judicial co-operation: and
- Uniform sanctions.

Once the Convention is finalised the COE hope to be able to convince countries outside of Europe, including the US, to sign up to it.⁴¹ It is worth stressing at this point that the COE is an entirely separate and distinct body from the EU. It covers almost the entirety of Europe with its 47 member countries while the EU only has 27 Member States. The COE seeks to develop common and democratic principles based on the European Convention on Human Rights.

Another approach by the EU to tackle the thorny issue of match-fixing is happening through the auspices of its review of online gambling within the Community. 'Safeguarding the integrity of sports and preventing match-fixing' is one of five priority areas in the "Towards a comprehensive European framework for online gambling" Communication published by the European Commission (the executive arm of the EU) in October 2012.⁴² Member States themselves are urged to take the following steps:

1. Set up national contact points which bring together all relevant actors within each Member State that are involved in preventing match-fixing;
2. Equip national legal and administrative systems with the tools, expertise and resources to combat match-fixing; and
3. Consider sustainable ways to finance measures taken to safeguard sports integrity.

The final step is one which is often not given great enough importance in the debate about match-fixing. It is laudable having grand plans for trans-national policies and co-operation but who is going to pay for it? In the age of worldwide economic austerity a major obstacle to progress in this area will be governments setting aside the necessary funds. Governments increasingly have to lead as sports themselves are often reticent to do so. One set of stakeholders who have shown the means and will to spend on this issue are the betting operators themselves, which in the US draws a sharp intake of breath. In reality policy makers need to have a more cordial attitude towards policy makers for

40. 'Match-fixing: European Commission to participate in negotiations for Council of Europe Convention to combat manipulation of sports results', Practical Law Company, 22 November 2012

41. Presentation by Stanislas Frossard of the Council of Europe at SportEU 2012 conference, Lausanne, 22 June 2012

42. SWD(2012) 345 final

them to continue, and even enhance, this investment.

The US should also look at a wholesale review of its legal framework for gambling (both online and offline) and match-fixing as currently it can be described as a patchwork at best with the following plethora of federal legislation⁴³, before that at individual state level is also considered:

- The Wire Act;
- The Travel Act;
- The Interstate Transportation of Wagering Paraphernalia Act;
- The Illegal Gambling Business Act;
- The Unlawful Internet Gambling Enforcement Act;
- The Sports Bribery Act; and of course
- PASPA.

This creates great uncertainty and opportunities for unscrupulous individuals, including match-fixers, and illegal operators to fall through the cracks. FIFA's Head of Security, Ralf Mutschke, had this to say at the recent jointly hosted Asian Football Confederation and INTERPOL conference on match-fixing in Kuala Lumpur, Malaysia, "We have to bring in the governments because they have to change legislation and laws, because a lot of countries do not have proper laws fighting match manipulation and corruption."⁴⁴

VIII. OTHER JURISDICTIONS WITH SIGNIFICANT ILLEGAL SPORTS BETTING

It may have seemed so far that the US has been singled out for criticism. Although much of it is justified, it is also fair to say that other nations are more culpable in providing the unregulated gambling markets that allow match-fixing to thrive. Asia is the part of the world most often associated with match-fixing, and for good reason, with the volume of illegal betting and match-fixing estimated to be worth \$500 billion in Asian markets alone.⁴⁵ Indeed it is said, with significant evidence in support, that the most prevalent match-fixing ring globally is to be found in Singapore, headed by the most wanted man in the field Dan Tan, who it has been reported recently has been assisting Singapore authorities with their investigations, Italian police authorities having had a warrant out for his arrest.⁴⁶

One of the major criminal match-fixing successes in recent times has been the four Soccer Gambling ('SOGA') operations led and co-ordinated by INTERPOL. SOGA operations have in total led to more than 7000 arrests, the

43. 'The Professional and Amateur Sports Act (PASPA): A Bad Bet for the States', Eric Meer, *UNLV Gaming Law Journal*, Volume 2:281

44. 'FIFA head warns over match-fixing', *FoxSports.com*, 20 February 2013

45. 'FIFA aware of match-fixing fears', Robin Scott-Elliott, *The Independent online*, 11 March 2011

46. 'Football 'match-fixer' Dan Tan with Singapore police', *BBC News Europe online*, 21 February 2013

closure of illegal gambling dens which handled more than US\$2 billion worth of illegal bets and the seizure of nearly US\$27 million in cash.⁴⁷ The latest of these operations, SOGA IV, was in the summer 2012, took two months in total and successful raids were carried out by law enforcement officers across Asia in China, Macau, Hong Kong, Malaysia, Singapore, Vietnam and Indonesia.⁴⁸

India, with a population of around 1.2 billion (four times that of the US), is another notorious jurisdiction for illegal sports betting and the match-fixing that comes with it. The national sport in India is cricket, which has faced high profile cases of match-fixing over the years including that of former South Africa national captain Hansie Cronje, with a recent Sunday Times investigation described the situation thus, “The millions of cricket mad gamblers in the teeming cities and slums of India are helping are helping to finance something altogether more sinister – the subversion of the sport by a network of match-fixers.”⁴⁹ This investigation also detailed further illegality associated with match-fixing, the use of honey traps, attractive women who ‘cosy up’ to players and persuade them to work for underground bookmakers.

Let’s now look at how the greatest sporting spectacle on earth approached this multi-faceted threat last summer and what can be learned in the US and worldwide in both regulated and unregulated jurisdictions.

IX. MATCH-FIXING AND LONDON 2012

London 2012 marked a watershed for the Olympic Games as it was the first time the Host City Contract contained a sports betting monitoring and co-operation clause to combat the threat of match-fixing. In the lead up to the games the International Olympic Committee (‘IOC’), especially its President Jacques Rogge, promoted the message that match-fixing was the most significant threat to the Games, “Doping affects one individual athlete, but the impact of match-fixing affects the whole competition. It is much bigger.” Accordingly a lot of work was undertaken by many stakeholders to ensure the Olympic Games were not subject to their first ever betting-related match-fixing scandal.

At the Sport & Gambling 2012 conference, held in London on 9 October 2012, the IOC’s Paquerette Zappelli and the GC’s Nick Tofliuk gave a joint presentation entitled ‘Lessons from London 2012’. This was a fascinating insight into what perhaps was the most successful match-fixing operation to date.

At the outset the view was taken that the best way to co-ordinate all the different actors would be to establish a Joint Assessment Unit (‘JAU’). The

47. ‘Arrests across Asia in INTERPOL-led targeting illegal soccer gambling networks’, Interpol.int, 18 July 2012

48. ‘Arrests across Asia in INTERPOL-led targeting illegal soccer gambling networks’, Interpol.int, 18 July 2012

49. ‘Bollywood honeytrap seduces cricket stars into match fixing’, Mazher Mahmood, The Sunday Times, 11 March 2012

JAU would be a mechanism for the collection, collation and assessment of information, both before and during the London Olympics, by the following stakeholders:

- London Organising Committee of the Olympic Games ('LOCOG');
- IOC;
- UK police force;
- Non-Olympic sports;
- SGBs;
- Betting operators and associations;
- INTERPOL; and
- Media.

The challenge for the JAU would be two-fold: to protect stakeholder interests and putting theory into practice. A central tenet to the JAU's approach would be to ensure that if any threat were to arise the response would be proportional, which would primarily be a media management issue. One view is that proportionality should underpin the shaping of match-fixing policy, regrettably however it is seemingly all too often overlooked.

Clear and robust relationships between the above stakeholders were paramount, as was timing. The delivery model designed to evaluate the JAU was tested thoroughly through scenario based testing sessions. This raised awkward questions of capabilities and competencies, both for the JAU and its various stakeholders, highlighting the importance of depth of understanding of all the organisations involved.

Perhaps the most valuable thing to take from the JAU's approach was that they profiled each of the Olympic sports in detail to find their respective inherent risks and vulnerabilities. To do this they looked to find where the culture was already compromised by corruption (i.e. through weak or compromised governance, doping or match-fixing). Having completed the profiling they were then able to allocate resources appropriately to the sports they had identified as being of greater risk.

Given the overall sports betting turnover at London 2012 was about 10 times higher than for Beijing 2008, the fact that there were no betting-related scandals uncovered during London 2012 indicates that the model may be able to be used internationally, perhaps as a basis for a WADA-type body in the future (more of which later). What the JAU did not cover, and was never intended to do so, was what unfolded during the badminton women's doubles tournament.

On Tuesday 31 July four pairs took to the court for two of the final matches of the group stages. They had already qualified for the next stage of the tournament. Farcical scenes then ensued whereby the players served

woefully into the net and missed easy shots in an attempt to deliberately lose their matches and gain favourable draws in the knockout stages.⁵⁰ During both matches the crowd audibly voiced their disapproval of the debacle. This made headline news around the world drawing heavy criticism from all quarters.⁵¹ This included Lord Coe, Chairman of LOCOG, who described it as, “depressing, who wants to sit through something like that? I know the badminton federation [the ‘BWF’]. . .will take that really seriously. . .it is unacceptable.”⁵² Thankfully the BWF did as Lord Coe hoped and, having called a disciplinary meeting the following day, disqualified all eight players from the tournament.

The fallout from this scandal brought a great deal of soul searching for the sport, not just for the BWF but also for the national badminton governing bodies. All four of the pairs received short bans from their national SGB, the prevailing view seeming to be that the offending players had been punished severely enough by being excluded from the opportunity to win an Olympic medal. Given the part of the world where the pairs came from (South Korea, China and Indonesia), the Far East being a hotbed for match-fixing activity and gambling syndicates, there were some suspicions (often voiced through social media) as to whether there was a betting corruption element in addition to the sporting motivations to fix the matches? I put this question to Ms Zapelli and Mr Tofliuk at the Sport & Gambling conference. They said that although it had been prudent for the JAU to investigate the matter there was no evidence found of the misdemeanours being related to betting.

Often the opportunity for sporting-related match-fixing stems from a structural flaw in the tournament/competition.⁵³ The BWF, having been caught out on the grandest of stages, has already changed the rules for Olympic doubles at Rio 2016. Following the group stage, all pairs finishing second in their groups will be placed into a second draw to determine who they face in the knockout phase. For pairs that top their group, they would have fixed positions equivalent to seeded placing’s in the knockout stage. The BWF hope this will prevent such a “regrettable spectacle” ever happening again.⁵⁴

Even with the unforeseen badminton scandal, publicly London 2012 was viewed as a success in the fight against match-fixing, particularly as regards the most insidious betting-related form.

X. IS THERE A SIGNIFICANT APPETITE FOR A WORLDWIDE MATCH-

50. ‘Disgraced South Koreans have bans reduced’, Reuters, 22 August 2012

51. ‘An athlete’s perspective on match-fixing: what sports’ governing bodies should learn from Shuttlegate’, Emma Mason, LawInSport, 9 November 2012

52. ‘China ‘to probe badminton loss’ as players charged’, BBC News China, 1 August 2012

53. ‘An athlete’s perspective on match-fixing: what sports’ governing bodies should learn from Shuttlegate’, Emma Mason, LawInSport, 9 November 2012

54. ‘Olympics doubles rules changed for Rio 2016 after match-fixing scandal’, Duncan Mackay, insidethegames.biz, 30 November 2012

FIXING AGENCY?

A further aspect of match-fixing that is much discussed is the possibility of an independent organisation along the lines of the World Anti-Doping Agency ('WADA') to be the central body to fight match-fixing worldwide. Chris Eaton, former Head of Security at FIFA and now Director of Sport Integrity at the newly formed International Centre for Sport Security ('ICSS') based in Doha, would not go as far as to model such a body on WADA, rather he favours, "an intelligence-collecting, analysing and information sharing multi-agency global body – more similar to a Financial Action Task Force ('FATF') type of structure – that would be tasked to provide timely advice to governments, police and sport bodies and to provide direct support to any ad-hoc international investigative task forces."⁵⁵

I strongly believe that funding is the critical hurdle to the establishment of a worldwide match-fixing body in any form. With the continuing grim economic climate globally how will governments, who ultimately need to show willingness to contribute to the pot, economically and politically justify spending money on such a body? Furthermore SGBs themselves cannot agree on who should be responsible for driving out the scourge with Eaton having this to say, "It's about avoiding paying for it, because there's a significant cost to doing these things and ultimately they will have to do it anyway [eventually], so my suggestion is that the earlier they invest in this, the less it will cost them."⁵⁶ Even if a worldwide body were to be set-up I suspect it would be lacking in teeth anyway until the US, and the other nations detailed above that through inaction and lack of regulation encourage illegal betting, are convinced politically to take a stand.

XI. WHERE DOES THIS LEAVE SPORT AND WHAT ACTION DOES THE US NEED TO TAKE?

Despite having been reported as an issue as far back as the time of the ancient Greeks⁵⁷ match-fixing is still really in its infancy in terms of research and understanding, particularly when compared with other threats to the integrity of sport such as doping. Betting-related match-fixing will remain the primary focus in this field for all stakeholders in sport because transnational criminal organisations continue to take advantage of changes in regulations, flaws in legal and judicial systems, the opening-up of borders and the growth of free trade, all of which are direct consequences of globalisation.⁵⁸

Governments and the world of sport, particularly in the US, are not as

55. 'The insidious spread of gambling fraud', Chris Eaton, ICSS Journal, December 2012

56. 'Independent agency needed to fight match-fixing', Brian Homewood, ChicagoTribune.com, 30 November 2012

57. 'Match-fixing: How gambling is destroying sport', Declan Hill, BBC Sport, 5 February 2013

58. 'Study - Sports betting and corruption: How to preserve the integrity of sport' at page 5, IRIS, University of Salford, Cabinet Praxes-Avocats & CCLS, 13 February 2012

familiar as they should be with the risks to which they are exposed because they do not always fully understand the world of betting and gambling.⁵⁹ Increased awareness and transparency would be two significant benefits should the US, and other unlicensed jurisdictions, move from a model of outright prohibition to one where sports betting is legalized, regulated and taxed.⁶⁰ The licensed gambling industry contributes \$4.5 billion to the EU sports sector alone. Yet with the grim economic climate showing no signs of abating for some years to come, people will look to make a quick buck from sports betting (particularly illegal sports betting) which will fuel its growth if concerted action is not taken. Indeed the economy will provide the biggest challenge in finding the necessary resources that all actors need to effectively tackle the problem. This is undoubtedly the largest issue yet to be resolved or even properly addressed. Needless to say resources from US, Chinese and Indian governments, for example, would go a long way in plugging the shortfall.

John Abbott, Chair of the INTERPOL's Integrity in Sport Steering Group, said at a conference in Brazil in November that the five key elements for a successful strategy against match-fixing are: partnerships, information exchange, co-ordination, prevention strategies and pro-activity.⁶¹ Outright prohibition of sports betting achieves none of these.

For all the good work being done by INTERPOL and others, the key broker in the continuing progress against this threat of upmost severity to the integrity of sport is in my view the IOC because it is seemingly the only body, sporting or otherwise, with the necessary political, social and sporting clout. For that reason the IOC is perhaps best placed to overcome the historic and continuing moral, social and political hurdles in the US.

Although sport is about entertainment, this is ultimately generated and maintained by upholding the integrity of sport. The unique emotions felt through sport, which are like no other in life, stem from sport's natural unpredictability which is without doubt its most important commodity. Match-fixing in any form seeks to destroy this for pure unadulterated and selfish greed. This is why all countries and sports need to stand united and fight match-fixing together.

59. 'Study - Sports betting and corruption: How to preserve the integrity of sport' at page 55, IRIS, University of Salford, Cabinet Praxes-Avocats & CCLS, 13 February 2012

60. 'The Professional and Amateur Sports Act (PASPA): A Bad Bet for the States', Eric Meer, UNLV Gaming Law Journal, Volume 2:281

61. 'Protecting sport from organized crime the focus of INTERPOL panel at International Anti-Corruption Conference', Interpol.int, 12 November 2012