

ESSA Q3 2017 INTEGRITY REPORT





EDITORIAL



ESSA held its first major event on sports betting and integrity at Lords Cricket ground in mid-October. It was fitting that the event took place at the home of cricket, a sport synonymous with fair play and respect, to consider one of the most important challenges facing the sporting and betting sectors, namely match-fixing.

We had over 150 people attend the event to listen to a range of speakers discuss the work they were currently undertaking to combat match-fixing and the challenges that we need to overcome in the coming years. The main takeaway for me, was whether you are a sport or a betting operator, ensuring the integrity of your product is no longer an option, it's a requirement.

Both pastimes have grown in popularity in recent decades and like any modern-day activity they have been subject to new challenges and pressures. While it is true that both the sporting and betting sectors have changed beyond recognition, recognising our common aims and working together remains as vital as ever. It is only through cooperation and partnership working that we will achieve that goal; no one party can deal with this threat on their own and there are clearly some complex challenges facing us all.

In that context, I'm pleased to announce that in 2018 ESSA is to engage in three new anti-match-fixing projects that have been granted funding from the European Commission's Erasmus+ programme. It will see the association involved in a total of four anti-match-fixing projects simultaneously and is part of ESSA's on-going policy to participate in and promote integrity efforts on behalf of its members.

ESSA has supported the EU Athletes' player betting education programme since 2010 and its new PROtect Integrity+ project is one of the three that have received Erasmus+ funding. The new project's aim is to combat the cross-border match-fixing threat to European sport by providing the first European-wide, athlete-led whistleblowing system.

ESSA will also be involved in the T-PREG and Fundacja Ekstraklasy anti-match-fixing projects. The Lisbon and Milan Catholic University coordinated T-PREG project will roll out a programme of workshops designed to educate and deter match-fixing, enhancing the know-how on reporting systems across all levels of sport in at least five EU countries. Whilst the Polish football managed Fundacja Ekstraklasy programme will conduct a comprehensive assessment of the reasons motivating match-fixing in European football and seek to implement preventative actions.

These three programmes add to ESSA's existing engagement in Transparency International's Anti Match-Fixing Top Training programme, which was granted Erasmus+ funding last year. It is focused on delivering tailored training for top decision-makers in sport and the media to promote increased understanding, and effective policy action guidelines to the European Commission.

All these projects have the potential to make a significant positive impact in the fight against match-fixing. They represent an important part of ESSA's goal to protect our members, consumers and sporting events from betting related corruption, in collaboration with key stakeholders.

Khalid Ali
Secretary General

ESSA integrity figures for Q3 2017

There were 72 alerts relating to suspicious betting activity reported to the relevant authorities for further investigation by ESSA during the third quarter (Q3) of 2017. There were 46 tennis cases (equating to approximately 64%), followed by football and table tennis both with 8 cases (11%), basketball four (5%) and two cases each (3%) for badminton, snooker and volleyball.

A betting pattern is deemed unusual or suspicious when it involves unexpected activity with atypical bet sizes or volumes that continue, even after significant price corrections have been made in order to deter such activity in the market. A betting pattern is only confirmed as suspicious after ESSA has made detailed enquiries with all of its members to eliminate any prospect that the unusual patterns could be for legitimate reasons, such as pricing the market incorrectly.

ESSA continues to play a key role as the regulated betting sector's representative body at national and international match-fixing policy forums and holds positions on important working groups at the European Commission, Council of Europe and the International Olympic Committee (IOC). It represents many of the world's biggest regulated sports betting operators, serving over 40 million consumers in the EU alone, and is continually reassessing and improving its alert and reporting systems.

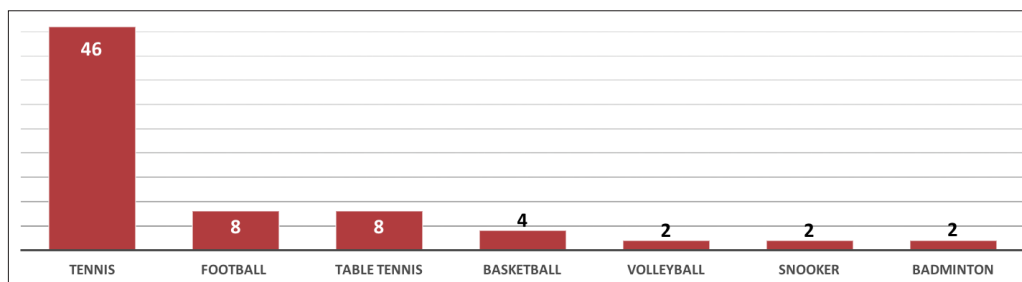
ESSA's members work together using risk assessment and security protocols to identify suspicious betting patterns and have access to an unrivalled body of data which it provides to sporting bodies and regulatory authorities. That includes essential transactional data on who is betting on what, where and when. Every year, our members invest over €50m in compliance and internal security systems to combat fraud, as well as funding other initiatives such as player education programmes.

How the ESSA system works

The ESSA alert system primarily works on the input provided by its members, notably alerts created by members relating to suspicious transactions detected by their own internal control systems. If such an alert is issued, which occurs through ESSA's alert platform, members are required to respond quickly confirming whether or not similar trends have been seen elsewhere in their markets. Where evidence emerges that there may be potentially fraudulent activity taking place, e.g. because several members have confirmed an irregular betting pattern, ESSA will:

1. report that information under the applicable Memorandum of Understanding (MoU) to the relevant sports governing body and/or regulatory authority; and
2. advise the member(s) concerned to make a report to their own national regulatory authority in line with their associated licensing conditions.

Suspicious alerts in Q3 2017



A GLOBAL NETWORK AGAINST COMPETITION MANIPULATION



INTERPOL's role is to enable police in its 192 member countries to work together to fight transnational crime and make the world a safer place. It maintains global databases containing police information on criminals and crime, and provides operational and forensic support, analysis services and training.

These policing capabilities are delivered worldwide and support three global programmes: counter-terrorism, cybercrime, and organized and emerging crime.

Over the years, it has become clear that organized crime groups have taken a keen interest in sports. Their objective is clear: to make high profits with the least amount of risk to their criminal network. This was clearly highlighted by some of the first major police investigations in European football leagues as far back as 2006.

Since then, the internet and the advent of globalized online sports betting have magnified the issue of competition manipulation, sports and betting integrity. It has become multifaceted, affecting a wide range of sports, and now requires enhanced stakeholder cooperation.

INTERPOL'S RESPONSE

In response to match fixing, INTERPOL set up its Match Fixing Task Force in 2011 to enable a specialist network of police investigators to better exchange information, intelligence and experience, and develop cross-border strategies against competition manipulation. The task force currently has 78 member jurisdictions, including Europol, the European Union's law enforcement agency.

Another key initiative is Operation Soga (short for Soccer GAMbling), which is part of INTERPOL's Asian Organized Crime Project. Soga is a regular joint operation targeting illegal gambling activities which is carried out during major football

events, mainly in Southeast Asia, but also in Europe. The latest INTERPOL-coordinated Soga operation was held in connection with the Euro 2016 Football Championship and led to the seizure of over 13 million USD in cash across 11 countries.

TRAINING

At INTERPOL, we offer a global training, education and prevention initiative with a focus on competition manipulation as well as irregular and illegal betting.

To this end, INTERPOL has developed a strong partnership with the International Olympic Committee (IOC), under which we jointly undertake capacity building sessions around the world, bringing together National Olympic Committees, national federations, law enforcement, public authorities and betting entities. Developing such partnerships, and building a global network of practitioners is crucial to tackle competition manipulation and protect the integrity of sport.

This project also offers specialized training courses for police and sports governing bodies in order to help them establish robust national measures to prevent match-fixing and other forms of corruption. All course participants receive the INTERPOL-IOC Handbook on Protecting Sport from Competition Manipulation, a key resource in understanding the dynamics of competition manipulation.

By developing relationships built on understanding, confidence and trust between stakeholders, we are enabling both the prevention and investigation of competition manipulation.

With this in mind, INTERPOL looks forward to further developing its cooperation with the betting industry to protect the integrity and most importantly, the unpredictable nature of sports events.

For more information on INTERPOL's activities, go to:

<http://www.interpol.int/Crime-areas/Crimes-in-sport/Integrity-in-sport>

NEW ROLE UNDERLINES ESSA'S COMMITMENT TO COMBATING MATCH-FIXING



In June of 2017, I was appointed as ESSA's first full-time Betting Integrity Officer, managing the association's betting alert system. Previously, the role had been undertaken by ESSA's Head Bookmaker, appointed from one of the association's board members. However, the recent growth of the association's membership and its related increase in suspicious alerts, along with the associated betting

data demand from sports bodies and regulators required an increase in focus and resources.

Before joining ESSA I spent almost ten years with Betfair, and latterly Paddy Power Betfair, in various roles in their Integrity team, most recently as their Integrity Manager. The experience and contacts gained there have enabled a smooth and productive transition into the ESSA role. Meetings have already been held with many of our key partners, notably the Tennis Integrity Unit and International Olympic Committee, and we will continue to work on establishing and improving our relationships with other sports bodies. Similarly, I've met with a number of gambling regulators across Europe, to further our positive working relationship with them and the national platforms that many are creating to combat match-fixing. To that end, one of our top priorities is to focus on the alert platform data and provide as much value from it to our members and our external partners as possible.

I've spent a significant amount of time speaking with ESSA members to understand how they use the alert platform and what improvements they would like to see. A recurring theme has been that they would like more feedback on alerts and updates throughout the investigative cycle. The challenge we currently face

is that once we report an alert to a sports or regulatory body we don't always get feedback on any subsequent investigative actions. This is something that can be improved significantly by developing our information sharing relationships, and I hope ESSA members and external partners alike are already seeing a noticeable improvement in this area.

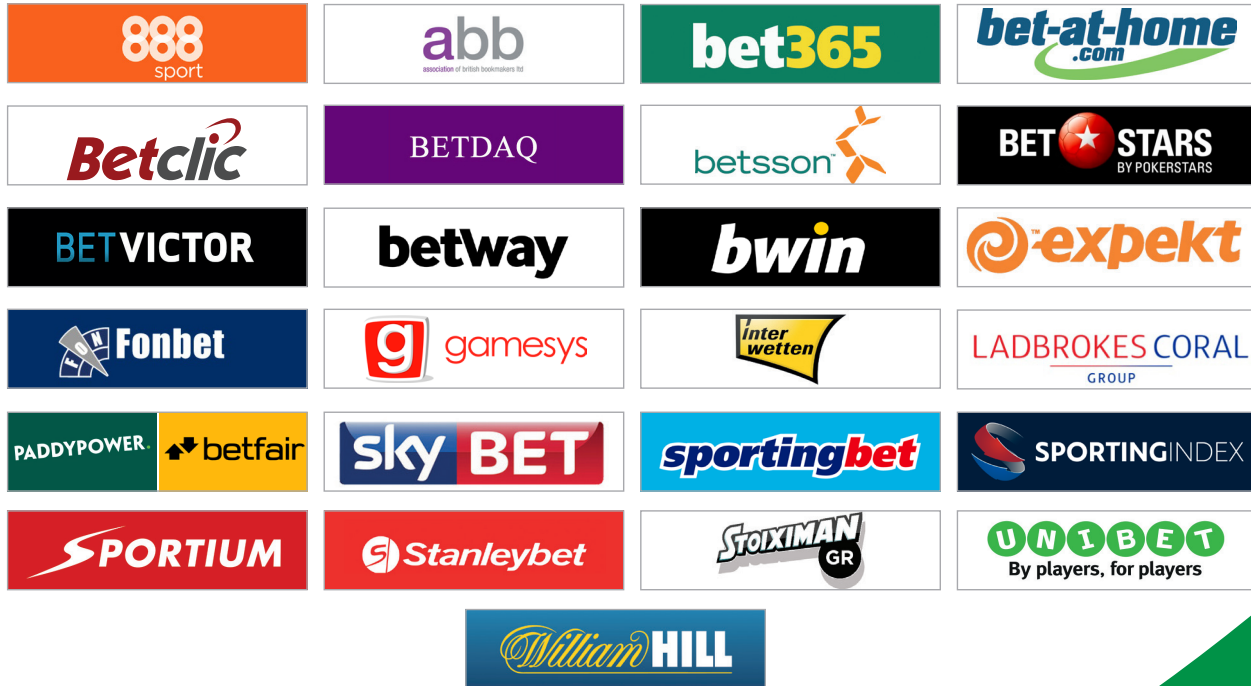
We have also arranged the first of our alert platform working groups, which will take place later this year. The Tennis Integrity Unit have agreed to attend and present and this will give ESSA members an opportunity to gain more understanding of the investigative process. As always, cooperation and trust is key when it comes to betting integrity issues and we intend to make the working groups a regular occurrence with a number of our other stakeholders expressing an interest in presenting at future meetings. This is extremely positive and welcome.

Looking further ahead, work has begun to improve the alert platform and we will explore other ways of providing value to our members and partners, for example by producing guidelines on the alerting system and how the ESSA process works.

Having a designated full-time Betting Integrity Officer is an important step for ESSA and I'm looking forward to working closely with all of our stakeholders to maximize the role and its impact.

By Matt Fowler
Betting Integrity Officer, ESSA

OUR MEMBERS



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