

ESSA response: Spanish Sports Betting Integrity Framework Consultation

January 2019



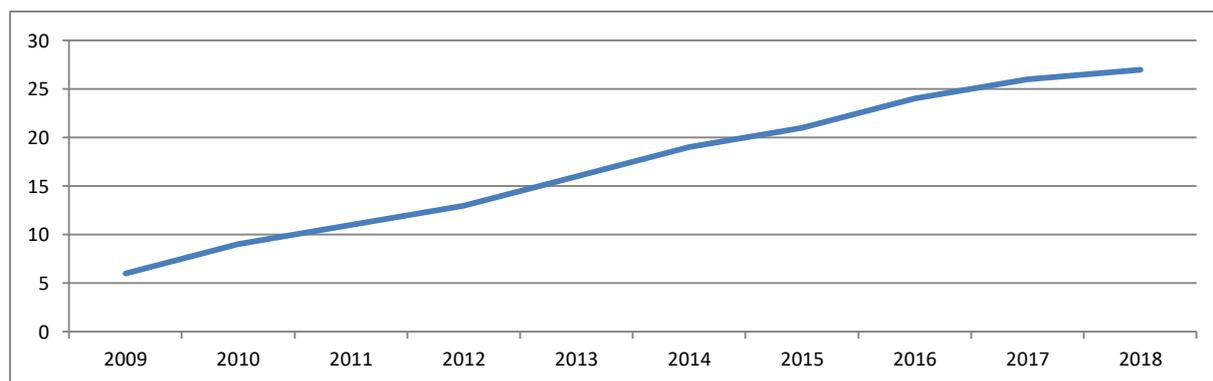
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Chapter 1: ABOUT ESSA

1. ESSA¹ is an international betting integrity body that represents many of the world’s largest regulated sports betting operators and which serve over 40 million consumers in the EU alone.
2. Established in 2005, ESSA has shown continued membership growth which, along with mergers and acquisitions, has seen the global market share of our members’ increase significantly.

Figure 1: ESSA Membership Growth 2009-18



3. Indeed, those companies are licensed and operate within various regulatory frameworks for gambling around the world; their business operations and focus are truly international.
4. That commercial enterprise is currently conducted through around 60 retail and online international betting brands (Figure 2), including many globally recognised household names.

Figure 2: ESSA Members’ Retail and Online Betting Brands²

32Red sport	Betfred	Cashpoint	Interwetten	Sky Bet	Totesport
888sport	Betsafe	Coral	Kroon (sports)	Sporting Index	Triobet
Bet365	Betsson	Crystalbet	Ladbrokes	Sportingbet	TVG
Betano	Betstar.com.au	Eurobet	Ladbrokes.be	Sportium	Unibet
Bet-at-home	BetStars	Europebet	Ladbrokes.com.au	Sportsbet	Vernons
Betboo	BetVictor	Expekt	Mr Green	Stanleybet	William Hill
Betclic	Betway	Fanduel	Nordicbet	Star Casino (sports)	William Hill US
Betdaq	bkfon.ru	Gamebookers	Oddsking.com	Star-Typ Sport	XTIP
BetEasy	Bookmaker.com.au	Gamesys	Paddy Power	Stoiximan	
Betfair	bwin	Gioco Gigitalle	Racebets	Tonybet	

5. ESSA’s principal goal is to protect its members, consumers and partners, such as sports bodies, from fraud caused by the unfair manipulation of sporting events and associated betting.
6. The organisation combats this fraud with evidence-based intelligence, principally obtained from its monitoring and alert system, which identifies suspicious activity on its members’ markets.
7. That includes crucial information on consumer identities, locations and other transactional information which is not available via non-regulatory authority platforms.

¹ <http://www.eu-ssa.org/>

² Gamesys and Oddsking sports betting brands are not yet active. William Hill is in the process of buying Mr Green. List is correct as of 18 January 2019.

8. To facilitate this, ESSA has established information sharing arrangements with gambling regulators and sports bodies through which it disseminates information on suspicious betting.
9. The association's members spend over €50 million per year on compliance and internal security systems in order to help combat betting related fraud in sport.
10. That investment has been successful in helping to drive criminals away from regulated betting markets, creating a safe and secure environment for our members' customers and sports.
11. To complement our detection activity, the association engages in mitigating actions with a range of partners, notably a player betting education programme with EU Athletes since 2010.³
12. ESSA is currently involved in five European Commission Erasmus+ funded anti-match-fixing projects, namely:
 - Anti Match-Fixing Top Training (AMFTT)⁴;
 - Training to Protected Reporting from Professional and Grassroots Sports (T-Preg)⁵;
 - Against match fixing - European Research & Education Program⁶;
 - PROtect Integrity Plus⁷; and
 - Combating Match Fixing in Club Football Non-Competitive Matches.
13. ESSA is a key player in the fight against betting related match-fixing globally and acts for the regulated betting sector at key national and international match-fixing policy discussion forums.
14. In particular, the association holds seats on betting policy groups run by the International Olympic Committee (IOC), European Commission and the Council of Europe, amongst others.
15. Indeed, the association helped to develop and broadly supports the adoption of the Council of Europe (CoE) Convention on the Manipulation of Sports Competitions⁸ and is committed to seeking practical and proportionate solutions to sports betting related integrity issues.
16. As part of our desire to be transparent and to assist the wider understanding of this important issue, ESSA also releases quarterly integrity reports covering its members' betting markets.⁹
17. ESSA therefore has an interest in the development of the Spanish betting integrity framework and the protection of betting operators, consumers and sporting events from corruption.
18. The following paragraphs provide ESSA's response to the Dirección General de Ordenación del Juego (DGOJ) consultation on the development of a national platform and stakeholder forum.¹⁰
19. The association is committed to working in partnership with all key stakeholders on issues related to betting integrity and will of course be available to engage in further dialogue with the Spanish authorities on that issue and any of the information contained in this document.

³ http://www.eu-ssa.org/wp-content/uploads/Eu-Athletes_Erasmusfunding_2015_FINAL.pdf

⁴ https://eacea.ec.europa.eu/sites/eacea-site/files/compedia_erasmus_sport_2016.pdf (pages 248-49)

⁵ https://eacea.ec.europa.eu/sites/eacea-site/files/sport_compendium_2017.pdf (pages 264-265)

⁶ https://eacea.ec.europa.eu/sites/eacea-site/files/sport_compendium_2017.pdf (pages 240-241)

⁷ https://eacea.ec.europa.eu/sites/eacea-site/files/sport_compendium_2017.pdf (pages 234-235)

⁸ <http://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/215>

⁹ <http://www.eu-ssa.org/documents/>

¹⁰ https://www.ordenacionjuego.es/sites/ordenacionjuego.es/files/noticias/20181218_modificacion_oomm_juegos_consulta_publica_previa_accesible.pdf

Chapter 2:

MAINTAINING THE INTEGRITY OF THE BETTING MARKET AND SPORTING EVENTS

National Betting Integrity Policy

20. The fundamental basis of any effective integrity framework requires a national level policy approach that involves all of the principal public and private stakeholders and policymakers.
21. This action has been championed by the Council of Europe Convention on the Manipulation of Sports Competitions, notably through the establishment of national platforms.¹¹
22. The platform's principal purpose being to "co-ordinate the fight against the manipulation of sports competitions" at national level and to "co-operate with all organisations and relevant authorities at national and international levels, including National Platforms of other States."¹²
23. ESSA helped to develop the Convention and broadly supports the measures included within it, albeit we oppose to the definition of "Illegal sports betting"¹³ contained in the text as a flawed concept, especially in relation to European Union Treaty provisions and case law.¹⁴
24. We note that Spain signed the CoE Convention in July 2015 and is also an active member of the CoE established Network of National Platforms (or Group of Copenhagen).¹⁵
25. Spain has therefore already been proactive in this area and this activity will be further enhanced by the DGOJ's proposal to establish a national platform and stakeholder discussion forum.
26. We welcome that approach and commitment to the Convention, and encourage the adoption of the effective measures proposed within it in the Spanish national integrity policy framework.
27. These include: implementation of suitable sports rules; exchange of information; education and awareness raising; protection for whistle-blowers; and reporting suspicious betting, amongst others, and represent best practice drawn from other gambling regulation and legislation.
28. In addition to the positive work of the CoE, a number of other transnational bodies have been developing their own betting integrity initiatives that focus on promoting national and international policy actions and cooperation, and which should also be taken into account.
29. For example, Spain is a member of the European Commission Expert Group on Match-Fixing, which has produced its own report and proposals to address match-fixing.¹⁶
30. We also await the European Commission's Recommendation¹⁷ in this area and it continues to fund important anti-match-fixing projects (also involving ESSA) on behalf of its Member States.¹⁸

¹¹ <http://www.coe.int/en/web/conventions/full-list/-/conventions/rms/09000016801cdd7e> Article 13

¹² <http://www.coe.int/en/web/conventions/full-list/-/conventions/rms/09000016801cdd7e> Article 13

¹³ <http://www.coe.int/en/web/conventions/full-list/-/conventions/rms/09000016801cdd7e> Article 3.5 (a).

¹⁴ The freedoms enshrined in the European Treaties, namely free movement of services and freedom of establishment.

Case C-243/01 Gambelli and Others (6 November 2003)

<http://curia.europa.eu/juris/document/document.jsf?text=&docid=48383&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=448951>,

Case C-316/07 Markus Stoß and Others (8 September 2010)

<http://curia.europa.eu/juris/document/document.jsf?text=&docid=80772&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=449163>

& Joint cases C-447/08 and C-448/08: Criminal proceedings against Otto Sjöberg and Anders Gerdin (8 July 2010)

<http://curia.europa.eu/juris/document/document.jsf?text=&docid=83128&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=448335>, amongst others.

¹⁵ https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/215/signatures?p_auth=KD0SXxi4 & <https://www.coe.int/en/web/sport/network-of-national-platforms-group-of-copenhagen-> & <https://rm.coe.int/convention-on-the-manipulation-of-sports-competitions-group-of-copenha/1680759b56>

¹⁶ <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=28471&no=1>

¹⁷ <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52012DC0596&from=EN>

31. The UNESCO MINEPS¹⁹ and IOC International Forum for Sports Integrity (IFSI)²⁰ also provide platforms for betting integrity discussions and have produced related proposals and guidance.
32. The measures and actions contained in these initiatives are, however, quite understandably often broad-based and ESSA recommends that a more in-depth consideration and analysis of other national actions would be of benefit when considering any future betting integrity policy.
33. The approach and the extent of the integrity measures in place varies greatly from jurisdiction to jurisdiction, however, the model in operation in the United Kingdom (UK) is widely seen as one of the most effective and which ESSA believes is an example of best practice in this area.
34. The Gambling Act 2005²¹ (operational since 2007) is one of the earliest legislative models covering the regulation of remote (online) gambling and provides for specific sports betting integrity provisions to counteract attempts to corrupt betting markets and sporting events.
35. This includes the Commission's ability to: issue codes of practice (Section 24); prosecute offences (Section 28); exchange information (Section 30 and Schedule 6); an offence of cheating (Section 42); require the provision of information (Section 88); and void bets (Section 336).
36. To help enforce these provisions and to facilitate cooperation between the various stakeholders, a Sports Betting Intelligence Unit (SBIU)²² was established within the Gambling Commission.
37. The SBIU works closely with the betting industry and with sports governing bodies to identify and investigate potential threats to the integrity of betting markets and sporting events and is principally financed from the licence fees of that market's regulated betting operators.
38. However, such costs must be justified, proportionate, established on the basis of a thorough risk analysis with stakeholders and kept under review, as they are with the Gambling Commission.²³
39. It operates under specific terms of reference²⁴ and its information gathering and investigatory actions are supported by the Commission's Licensing Conditions and Codes of Practice (LCCP).²⁵
40. Licensing condition 15.1 requires betting operators to report any suspicious betting to the regulator and sports bodies; this is supplemented by a confidential public intelligence line.²⁶
41. To underpin this, over the years the regulator has produced and continually reassesses important documentation to help inform stakeholders, notably licensed betting operators, on its policy position and expectations in the fight against betting related corruption e.g. match-fixing.
42. This includes detailed guidance explaining the British Gambling Commission's position and licensed betting operator requirements on: Protecting Betting Integrity (2013);²⁷ Misuse of Inside Information (2014);²⁸ and its Betting Integrity Decision Making Framework (2017).²⁹

¹⁸ https://ec.europa.eu/sport/policy/organisation-of-sport/match-fixing_en

¹⁹ <http://www.unesco.org/new/en/social-and-human-sciences/themes/physical-education-and-sport/mineps/>

²⁰ <https://www.olympic.org/news/international-forum-for-sports-integrity-steps-up-action-to-prevent-competition-manipulation-and-corruption-in-sport>

²¹ https://www.unodc.org/documents/corruption/Publications/UNODC-IOC_Model_Criminal_Law_Provisions_for_the_Prosecution_of_Competition_Manipulation_Booklet.pdf &

²² <https://www.unodc.org/documents/corruption/Publications/2017/UNODC-IOC-Study.pdf>

²³ http://www.legislation.gov.uk/ukpga/2005/19/pdfs/ukpga_20050019_en.pdf

²⁴ <http://www.gamblingcommission.gov.uk/news-action-and-statistics/Match-fixing-and-sports-integrity/Sports-Betting-Intelligence-Unit.aspx>

²⁵ <http://www.eu-ssa.org/wp-content/uploads/UK-Gov-and-GC-fees-paper-Sept-2016-FINAL.pdf>

²⁶ <http://live-gamblecom.cloud.contensis.com/PDF/Sports-Betting-Intelligence-Unit-terms-of-reference.pdf>

²⁷ <http://live-gamblecom.cloud.contensis.com/PDF/LCCP/Licence-conditions-and-codes-of-practice.pdf>

²⁸ <http://www.gamblingcommission.gov.uk/news-action-and-statistics/Match-fixing-and-sports-integrity/Confidential-intelligence-line.aspx>

²⁹ <http://www.gamblingcommission.gov.uk/PDF/Protecting-betting-integrity.pdf>

²⁸ <http://www.gamblingcommission.gov.uk/PDF/Misuse-of-inside-information.pdf>

²⁹ <http://live-gamblecom.cloud.contensis.com/PDF/Betting-integrity-decision-making-framework.pdf>

43. Importantly, the Gambling Commission has continually taken a proportionate and evidence-led risk-based approach to protecting betting integrity, in partnership with key stakeholders.
44. The ongoing development of this approach saw the Sports Betting Integrity Forum (SBIF)³⁰ established in 2012 to develop the UK's policy on protecting sport and betting from corruption.
45. The SBIF has put in place a national Sport and Sports Betting Integrity Action Plan³¹ developed by its key members: Gambling Commission, law enforcement, sports bodies and betting operators.
46. It details the expected focus and requirements of those parties in delivering timely and effective actions to identify and control risks associated with match-fixing and sports betting integrity.
47. This strategic cross-sector approach forms part of the UK's wider Anti-Corruption Plan³² and is a blueprint of good practice and effective detection and enforcement measures to protect sports, consumers and regulated operators from the negative impact of betting related sports fraud.
48. These actions provide a clear deterrent to corrupters, and whilst the UK market is not immune from attempts to corrupt sports betting, the extensive provisions in place mean that it is well-placed to protect consumers, sports, betting operators and the reputation of the market itself.
49. This legislative framework is therefore able to make provision for, and readily adapt to, any new developments and the betting regulatory and integrity challenges that may accompany those.
50. As such, ESSA strongly supports the robust measures put in place in the UK which have been developed in partnership with betting operators and other stakeholders, such as sports bodies.
51. This extensive partnership working and betting industry engagement and consultation is essential if a practical, effective and proportionate set of integrity provisions is to be enacted.
52. As such, we believe that it is essential that regulated operators are involved as key stakeholders in any future discussions regarding any sports betting integrity provisions enacted in Spain.
53. It is therefore imperative that betting operators and trade association representatives have a position on the Spanish national platform along with other key public and private sector bodies.
54. It is also suggested that any national policy consider engaging a wider international audience in its policy discussions, noting that betting related match-fixing is a cross-border global issue.
55. The association welcomes the recent Netherlands' Decree supporting national level cooperation and engagement with an international collaborative body such as ESSA on betting integrity.³³
56. Indeed, ESSA is a member of the UK SBIF representing both its British Gambling Commission licensed members and also those licensed and operating in other jurisdictions.
57. The association has information sharing agreements with many gambling regulatory authorities around the world and which allow both parties to engage fully on integrity matters, both in relation to our international alert system and with regard to any national platforms.

³⁰ <http://www.sbif.uk/home.aspx>

³¹ <https://www.sbif.uk/images/Documents/SBI-Plan-2017-Progress-Update-FINAL-Feb-2018.pdf>

³² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388894/UKantiCorruptionPlan.pdf

³³ Remote Games of Chance Decree (Sept. 2018) consultation version – Article 4.7-4.9 and related sections in the Explanatory Memorandum (Translated from Dutch to English)

58. In addition, it is also vital that other key stakeholders, notably sports bodies, demonstrate that they are contributing sufficient resources to the protection of the integrity of sporting events.
59. The developmental and enforcement of suitable sports betting rules and player betting education initiatives is particularly important from an integrity perspective; the UK Sport and Sports Betting Integrity Action Plan sets out clear requirements on national sports bodies.³⁴
60. There are some good examples of this within the sports sector at national and international levels, including: the English Football Association³⁵; International Olympic Committee (IOC)³⁶; and the World Professional Billiards and Snooker Association (WPBSA)³⁷, amongst others.
61. However, there are also many sports which have not sought to prioritise mitigating actions covering the manipulation of sporting events in same way they would in other areas, e.g. doping.
62. This inactivity and poor governance creates an environment where corruption can flourish.
63. ESSA draws your attention to the FIFPro report 2012³⁸ which details the impact of poor fiscal practices in sport as a facilitator of match-fixing, endorsed by a separate report in 2016.³⁹
64. In addition to such governance and fiscal issues, the 2014 Bangladesh cricket match-fixing tribunal worryingly found that “more often than not, sports regulators do not stop matches or events even where they have information about corruption in the match or event.”⁴⁰
65. Whilst some in the sports sector claim that betting creates risks for them, it should be noted that corrupt sports personnel and poor sports governance actually creates increased risk and associated regulatory costs for betting operators, who are often the focus of sports fraud.
66. After all, betting related match-fixing is fundamentally the product of corrupt sportspeople, either acting alone or colluding with criminal elements, seeking to unfairly manipulate sporting events to financially defraud betting operators (regulated or unregulated) and their consumers.
67. For any national sports betting integrity framework to be effective, it must include requirements on all stakeholders, including the sports sector, and sanctions if those are not implemented.
68. To that end, the Council of Europe Convention on the Manipulation of Sports Competitions proposes that governments “withhold some or all financial or other sport-related support from any sports organisations that do not effectively apply regulations for combating manipulation of sports competitions.”⁴¹ ESSA supports the availability and enforcement of such measures.

Public Alert and Monitoring Systems

69. Monitoring markets and detecting suspicious betting is the principal means of addressing betting related fraud, most notably linked to the unfair manipulation of sporting events.
70. The focus and action deemed necessary for this activity varies between regulatory authorities (Figure 3), as does whether they deliver this internally and/or through their licensed operators.

³⁴ <https://www.sbfif.com/images/Documents/SBI-Plan-2017-Progress-Update-FINAL-Feb-2018.pdf>

³⁵ <https://www.thefa.com/football-rules-governance/policies/betting/betting-rules>

³⁶ <https://www.olympic.org/playfair> & https://stillmed.olympic.org/Documents/Commissions_PDFfiles/Ethics/rio2016_rules_on_the_prevention_of_manipulation-en.pdf

³⁷ <http://www.wpbsa.com/governance/monitoring/> & <http://www.wpbsa.com/governance/members-rules/>

³⁸ <http://www.fifpro.org/en/don-t-fix-it/black-book>

³⁹ https://footballmap.fifpro.org/assets/2016_FIFPRO_GLOBAL_EMPLOYMENT_REPORT.pdf

⁴⁰ <http://www.thedailystar.net/upload/gallery/pdf/bpl-full-verdict-file-.pdf> Paragraph 56 Bangladesh Cricket Board Anti-Corruption Tribunal (Issued 8 June 2014)

⁴¹ <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016801cdd7e> Article 8

Figure 3: Betting Regulatory Authorities’ Monitoring and Alert Systems (Betmonialert report)⁴²

Regulator	Monitoring System	Alert System
Belgium	No	Yes (National Platform)
Denmark	No	Yes (National Platform)
Estonia	No	No
France	Yes	Yes
Gibraltar	No	No
Greece	No	No
Italy	Yes	Yes
Isle of Man	No	No
Spain	No	Yes
UK	No	Yes (National Platform)

71. Where gambling regulatory authorities have adopted a clear betting integrity framework and related alert and monitoring system this has essentially followed two distinct models.
72. The first, employed by French regulator ARJEL⁴³ and Italian counterpart ADM⁴⁴, for example, involves an internal central platform with direct access to every transaction conducted through its operators’ businesses licensed by that national gambling regulatory authority.
73. This involves real time access to licensed operators’ betting and customer transactional data and an internal team of analysts to assess this to detect and determine any suspicious betting.⁴⁵
74. The scope of this approach varies, but for ARJEL: “On a daily basis, there are 2 people in charge of this match fixing betting monitoring”⁴⁶ and for ADM: “There are (2 to 4) internal analysts (but generally only from Friday to Sunday, the key point of the football week).”⁴⁷
75. The second model, notably employed by the British Gambling Commission, among others, requires its licensees to monitor and report suspicious behaviour identified on their markets.
76. The regulator has an internal unit that collects this information and develops intelligence about potentially corrupt betting activity, with a strong emphasis on partnership working with key stakeholders (e.g. licensed operators, sports, law enforcement and other regulatory authorities).
77. The European Commission funded Betmonialert report⁴⁸ published in 2017 identifies both of the above approaches as examples of good practice for other gambling regulatory authorities to follow when determining their integrity monitoring and alert policies and practices.
78. ESSA has information sharing arrangements and a positive working relationship with ARJEL and the British Gambling Commission and respects the differing approaches that they have adopted.
79. However, as highlighted in the Betmonialert report, the first approach is invariably resource intensive and there “is clearly a lack of human resources for this task” presently employed in both the ARJEL and the ADM variations of this integrity model.⁴⁹

⁴² http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Page 41

⁴³ <http://www.arjel.fr/>

⁴⁴ <https://www.agenziadoganemonopoli.gov.it/portale/>

⁴⁵ http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Pages 169 & 172

⁴⁶ http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Page 171

⁴⁷ http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Page 169

⁴⁸ file:///C:/Users/foleytrain/Documents/ESSA/Reports%20and%20Projects/Betmonialert/Betmonialert_Design-NB-DEF-2-06-2017.pdf

⁴⁹ http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Pages 169, 170 & 172

80. This is identified as one of the “weaknesses”⁵⁰ of this system, and the level of internal analysts employed at these regulatory authorities, plus the number of additional analysts that might be deemed necessary to bolster this, invariably have a knock-on effect to licensing costs.
81. The model employed by the British Gambling Commission, on the other hand, whilst still employing internal specialists,⁵¹ utilises licensed operators’ own sophisticated security systems to detect suspicious betting and is then able to focus its resources on the investigatory aspect.
82. It is important to understand that operators are the intended victims of betting related fraud and invest significant amounts in mechanisms to detect and deter such illicit activity, working in close partnership with regulators and others to protect their business interests.
83. There does not, on that basis and within a robust regulatory structure, appear to be an overriding reason to essentially duplicate that monitoring work within a regulatory authority.
84. As such, we strongly encourage Spain to adopt this general approach, as employed by the British Gambling Commission and others, in respect of any future betting alert and monitoring practices that may be employed by the national platform and regulatory gambling authority.

Private Alert and Monitoring Systems

85. To complement this approach, and the furtherance of the general integrity of the Spanish licensed betting market, there is also clear value from operators being part of their own wider international integrity alert and monitoring system and which also feeds data into the regulator.
86. This adds an additional layer of protection both for operators’ own business operations and also the Spanish licensed framework and its operational integrity capacity and associated reputation.
87. There are two principal non-regulatory authority operator-run betting alert and monitoring bodies currently in operation: ESSA and the Global Lottery Monitoring System (GLMS).⁵²
88. These two internationally recognised systems cover the licensed private sports betting sector (via ESSA) and those lottery operators offering sports betting products (via GLMS).
89. ESSA currently covers around 60 retail and remote betting brands, whilst the GLMS brings together 29 lotteries from 27 countries (those lotteries are restricted to national territories).
90. For the purposes of Spanish licensed and regulated online betting market, ESSA is the principal potential non-regulatory authority alert system which operators could join and feed into.
91. Operators have always had their own internal risk and security protocols, which have evolved overtime as new challenges and threats have emerged, including betting related match-fixing.
92. Many of the largest European-based licensed sports betting operators quickly identified a need to work in partnership to address that issue and share data both within and outside of their network for the common good and to aid the protection of their business platforms.
93. ESSA was therefore established in 2005; its monitoring system is different from non-operator commercial integrity platforms, notably employed by some sports bodies, in that it has access to important customer transactional data, which is often vital in advancing related investigations.

⁵⁰ http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Pages 170 & 172

⁵¹ http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Page 70

⁵² <http://glms-sport.org/>

94. Privately run non-operator monitoring systems are often limited to observing particular sports betting markets and to primarily following odds movements,⁵³ whereas ESSA and its members monitor every market across every sporting event that they cover around the world.
95. Unlike unregulated operators, notably in Asia, responsible European regulated betting operators are subject to strict money laundering regulations and are also better placed through detailed record keeping and analysis to detect individuals and events linked to corruption.
96. Such comprehensive customer transaction information and market monitoring is invaluable in the fight against match-fixing and of great benefit to regulatory and law enforcement bodies.
97. ESSA analyses any suspicious betting reports from its members (received within one hour of an alert being raised) to identify evidence of potential corruption requiring further investigation.
98. In addition, ESSA is engaged in various anti-match-fixing programmes and discussion forums on behalf of its members with key policymakers, regulators, law enforcement and sports bodies.
99. This continual engagement with, and on behalf of, our members ensures that integrity matters are a constant focus of attention and interaction, which is clearly of benefit for all concerned.
100. Membership of a recognised and reputable international alert system, such as ESSA, therefore brings with it sizeable advantages and, with a suitable information sharing agreement in place with the national regulator, the ability to considerably enhance the protection of that market.
101. To this end, the Gibraltar Gambling Commissioner actively encourages its licenced betting operators to join a “properly structured and organized information sharing/alert mechanisms for managing suspicious bets” in its Remote Technical and Operating Standards documentation.⁵⁴
102. As a result, 9 of the 11 fixed odds sports betting operators currently licensed in Gibraltar⁵⁵ are members of ESSA, either directly or through a parent or subsidiary company, meaning that over 80% of Gibraltar licensed fixed odds sports betting operators are ESSA members.
103. We are optimistic that this number will increase in the very near future and which will further serve to benefit both those operators and the national regulatory authority with which ESSA has an information sharing arrangement covering all of our members’ global betting operations.
104. The European Commission funded Betmonialert report⁵⁶ proposes that governments and public gambling authorities should go a step further in the fight against match-fixing.
105. The report, which assessed public and private betting monitoring and alerts systems, views the membership of an alert and monitoring system as a high priority integrity requirement.
106. As such, it strongly recommends that public authorities should oblige all of their licensed sports betting operators to be “part of a betting monitoring system (such as ESSA or GLMS)”.⁵⁷

⁵³ e.g. <http://www.uefa.com/insideuefa/protecting-the-game/integrity/index.html> The Sportradar run UEFA betting fraud detection system (BFDS) highlights irregular betting movements both pre-match and in-game (live) in all the core betting markets (Asian handicap, Totals and 1X2) from all major European and Asian bookmakers.

⁵⁴ https://www.gibraltar.gov.gi/new/sites/default/files/HMGoG_Documents/RTOS%20Final%20Version%201.0.2012.pdf Page 40

⁵⁵ <https://www.gibraltar.gov.gi/new/remote-gambling#ancla7> ESSA members: Ladbrokes, BetVictor, Stan James (through Unibet/Kindred), Bwin, 32 Red (through Unibet/Kindred), 888.com, William Hill, Bet 365, Betfair, Gamesys and Unibet. Non-members: Boylesports, Betfred and lottoland (the latter’s licence does not appear to be active for sports betting).

⁵⁶ http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf

⁵⁷ http://ethisport.com/wp-content/uploads/sites/28/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Page 7

107. Whilst ESSA has not advocated that operators should be forced to be a member of a reputable recognised alert system, there are significant advantages from encouraging that approach.
108. As such, we welcome the approach taken in the Netherlands, as proposed in the recent Decree, that a licensed betting operator must engage with an international integrity body.⁵⁸
109. It is vital that any such organisation be recognised internationally as a responsible and credible integrity body, and the Decree's specific reference to ESSA is very positive in that regard.⁵⁹

Criminal and Sporting Sanctions

110. The European Commission Expert Group on Match-Fixing report rightly identified sanctions as playing "a key role in the fight against match-fixing" both as a deterrent and punishment.⁶⁰
111. Penalties for such corruption can, and have, been imposed by sports and/or public authorities.
112. Public authority sanctions can be of "administrative or civil nature or based on criminalization in national legislation", whereas sanctions issued by sports bodies are "based on statutory provisions or regulations adopted by sports organizations or competition organisers".⁶¹
113. With a view to ensuring an efficient enforcement system, the Council of Europe Convention on the Manipulation of Sports Competitions "considers a broad range of criminal, administrative and disciplinary sanctions" and "that sanctions are effective, proportionate and dissuasive."⁶²
114. A report for the European Commission, published in 2012, mapped the criminal law provisions covering match-fixing in Member States; unsurprisingly it found that the "European legal landscape is not uniform" and that provisions differ greatly as regards the act to be criminalised as well as the scope, objective and subjective elements of the offences or relevant sanctions.⁶³
115. It also noted that whilst some countries focus on general offences of corruption or fraud, others have implemented sports specific offences, contained either in their criminal codes (Spain, Bulgaria), sports laws (Greece, Cyprus, Poland) or special criminal laws (Italy, Malta, Portugal).⁶⁴
116. Such national law provisions have been employed to positive effect and have resulted in successful match-fixing prosecutions, sometimes involving a range of offences.
117. This is the case in the UK, for example, where the Gambling Act 2005 provides for an offence of cheating,⁶⁵ but where other existing criminal offences can also be applied where appropriate.
118. The latter was used by the UK judiciary in the Pakistani cricket fixing case, imposing sentences for conspiracy to accept and make corrupt payments that were longer than the maximum two-year sentence that could be imposed under the Gambling Act for cheating at gambling.⁶⁶
119. A number of countries such as Germany⁶⁷, Russia⁶⁸, Ukraine⁶⁹, Latvia⁷⁰, Cyprus⁷¹ and New Zealand⁷² have moved to enacted specific match-fixing offences within their criminal legislation.

⁵⁸ Remote Games of Chance Decree (Sept. 2018) consultation version – Article 4.7 and related sections in the Explanatory Memorandum (Translated from Dutch to English)

⁵⁹ Ibid.

⁶⁰ <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=28471&no=1> Page 18

⁶¹ <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=28471&no=1> Pages 18 & 19

⁶² <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=28471&no=1> Page 19

⁶³ http://www.keanet.eu/docs/study-sports-fraud-final-version_en.pdf Page 2

⁶⁴ Ibid.

⁶⁵ http://www.legislation.gov.uk/ukpga/2005/19/pdfs/ukpga_20050019_en.pdf Section 42

⁶⁶ <http://www.bbc.co.uk/news/uk-15573463>

⁶⁷ <http://www.dw.com/en/german-parliament-passes-law-against-match-fixing/a-37881179>

⁶⁸ http://rapsinews.com/legislation_news/20130724/268304784.html

⁶⁹ <http://futbolgrad.com/ukraine-passes-anti-corruption-law-to-fight-match-fixing/>

⁷⁰ http://news.xinhuanet.com/english/2015-10/07/c_134688098.htm

120. As with other offences, the range of sentences can vary: a maximum of one year (in Denmark) to 10 years imprisonment (in Greece, Australia, and Poland), along with varying fiscal penalties.⁷³
121. Whether such explicit additional legislation and offence is necessary, in addition to existing criminal offences, is an issue for each government to determine within its justice framework.
122. What is vitally important is that suitably robust criminal sanctions are available and applied consistently and with due vigour and that any new provisions are developed with key stakeholders in an open and transparent manner, employing an evidence-based approach.
123. The mapping report for the European Commission found that “difficulties in prosecuting match-fixing are more operational than legal”⁷⁴ highlighting the importance of establishing clear requirements and obligations on all key stakeholders in identifying and reporting corruption.
124. A detailed report published in 2017 by the UNODC and the IOC, titled “Criminal law provisions for the prosecution of competition manipulation”, provides an extensive legal analysis of 52 national jurisdictions which incriminate match-fixing and best practice models.⁷⁵
125. The report contends that: “Examples of cases involving match-fixing show that, due to the complexity of the crime, it is necessary to employ appropriate tools, such as police expertise, telephone interceptions, formal police interviews, prosecutions and trials.”⁷⁶
126. However, as the British Gambling Commission points out: “Pursuing a criminal sanction will not always be possible, and often will not be the most effective or efficient approach to take.”⁷⁷
127. The European Commission Expert Group highlights that sports governing bodies can prosecute and sanction participants who breach their rules, and that such actions are generally less resource intensive than police investigations and are as such an important tool in this area.⁷⁸
128. Sanctions imposed by sports bodies, which may include: warnings, bans, relegations and penalties, were clarified by the Swiss Federal Tribunal in the Gundel case, which qualified them as statutory sanctions, that is to say a form of contractual sanction and subject to civil law.⁷⁹
129. The standard of proof required for a civil sanction is less than those required for a criminal sanction; action by sports bodies may therefore be a more appropriate and timely deterrent and it does not rule out the possibility of a criminal charge also being brought at a later stage.⁸⁰
130. The IOC and UNODC report concludes that the disciplinary power of national and international sports governing and disciplinary bodies therefore “constitutes a fast and efficient coercive tool against the manipulation of sports competitions.”⁸¹
131. Such action may also be complementary to criminal action: in the Pakistani cricket fixing case in the UK, in addition to the criminal sentences imposed (up to two and a half years imprisonment), the International Cricket Council (ICC) banned the players involved from cricket for five years.⁸²

⁷¹ <http://cyprus-mail.com/2017/12/01/match-fixing-bill-voted-law/>

⁷² <https://www.baldwins.com/news/new-zealand-enacts-new-law-to-deal-with-match-fixing>

⁷³ <https://www.unodc.org/documents/corruption/Publications/2017/UNODC-IOC-Study.pdf> Page 43

⁷⁴ http://www.keanet.eu/docs/study-sports-fraud-final-version_en.pdf Page 2

⁷⁵ <https://www.unodc.org/documents/corruption/Publications/2017/UNODC-IOC-Study.pdf>

⁷⁶ <https://www.unodc.org/documents/corruption/Publications/2017/UNODC-IOC-Study.pdf> Page 7

⁷⁷ <http://live-gamblecom.cloud.contensis.com/PDF/Betting-integrity-decision-making-framework.pdf> Page 4 &

⁷⁸ <https://www.unodc.org/documents/corruption/Publications/2017/UNODC-IOC-Study.pdf> Page 14

⁷⁹ http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail_groupDetailDoc&id=28471&no=1 Page 19

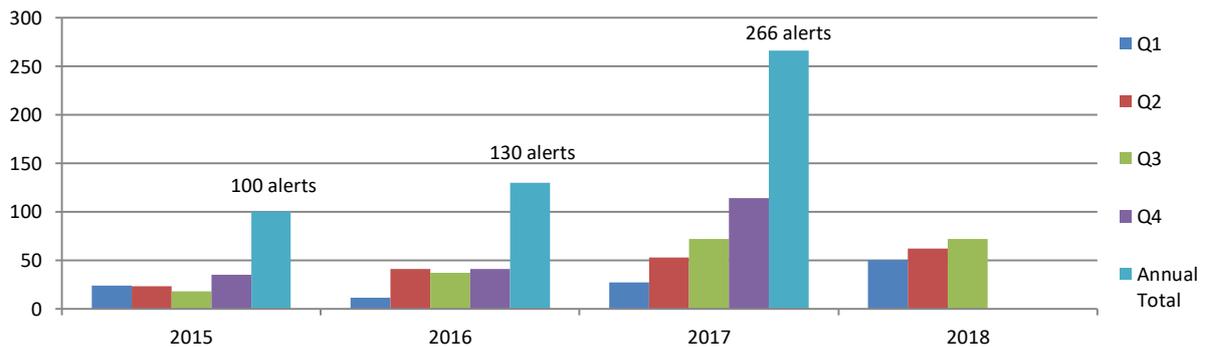
⁸⁰ <https://www.unodc.org/documents/corruption/Publications/2017/UNODC-IOC-Study.pdf> Page 14

⁸¹ <http://live-gamblecom.cloud.contensis.com/PDF/Betting-integrity-decision-making-framework.pdf> Page 4

⁸² <https://www.unodc.org/documents/corruption/Publications/2017/UNODC-IOC-Study.pdf> Page 14

132. International and national sports bodies are therefore recognised as having an important role to play as key partners of public authorities in combating the manipulation of sports competitions.
133. This includes: gathering information; undertaking investigations into breaches of any rules; and exchanging and receiving such information from national authorities and others.
134. The European Commission Expert Group highlights that “betting operators are also recognized as key partners on prevention and exchange of information of betting-related manipulations.”⁸³
135. To be fully effective, any national level legislation or provisions must consider this issue in an international setting, and where organisations such as ESSA can (and do) work closely with sports, regulatory and law enforcement bodies to gather evidence and underpin sanctions.
136. ESSA’s monitoring and alert system supplies sporting and regulatory authorities with detailed data from which to conduct subsequent investigations and which thereby strengthens the integrity and protection of those sporting events, related betting markets and consumers.
137. That system has identified and reported 680 suspicious betting alerts during 2015-Q3 2018 (see Figure 4); further detailed data on ESSA’s alerts can be found in Annex C of this document.

Figure 4: ESSA members' suspicious betting alerts 2015 to Q3 2018



138. ESSA therefore welcomes and supports the imposition of robust sanctions against match-fixers who seek to corrupt sporting events to then defraud our members and other betting operators.
139. We believe that it is only through such cooperation and partnership working, both nationally and internationally, that evidence-led investigations and sanctions can have the desired impact.
140. As such, it should be noted that ESSA’s alert platform reported 24 cases of suspicious betting on Spanish sporting events during 2015-17 (our 2018 annual report will be published shortly).
141. ESSA would therefore welcome a closer working relationship on integrity issues with the Spanish authorities to exchange related information to protect Spain’s betting market and sports events.

⁸² <http://www.bbc.co.uk/news/uk-15573463>

⁸³ http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail_groupDetailDoc&id=28471&no=1 Page 19

Chapter 4:

CONCLUSIONS

142. ESSA (Sports Betting Integrity) welcomes the opportunity to engage in the ongoing development of an effective sports betting integrity framework and stakeholder cooperation forum in Spain.
143. The fundamental basis of any effective integrity framework requires a national level policy approach that involves all of the principal public and private stakeholders and policymakers.
144. This action has been championed by the Council of Europe (CoE) Convention on the Manipulation of Sports Competitions, notably through the establishment of national platforms.
145. We note that Spain signed the CoE Convention in July 2015 and is also an active member of the CoE established Network of National Platforms (or Group of Copenhagen).
146. Spain has therefore already been proactive in this area and this activity will be further enhanced by the DGOJ's proposal to establish a national platform and stakeholder discussion forum.
147. We welcome that approach and commitment to the Convention, and encourage the adoption of the effective measures proposed within it in the Spanish betting integrity policy framework.
148. In considering the scope and form of its national platform, ESSA also urges Spain to consider the approach to stakeholder engagement on integrity taken in other countries, most notably the UK.
149. The latter has involved the establishment of a Sports Betting Integrity Forum (SBIF) involving governmental regulatory and law enforcement authorities, sports bodies and betting operators.
150. The SBIF has put in place a national Action Plan that sets out requirements on those parties in delivering actions to identify and control risks associated with match-fixing and sports betting.
151. This strategic cross-sector approach forms part of the UK's wider Anti-Corruption Plan and is a blueprint of good practice, providing a deterrent against sports corruption and betting fraud.
152. It is also suggested that any national policy consider engaging a wider international audience in its integrity discussions, noting that betting related match-fixing is a cross-border global issue.
153. To that end, the association welcomes the recent Netherlands' Decree supporting national level cooperation and engagement on integrity with an international collaborative body.
154. Indeed, the Decree requires that all betting operators must engage with an international integrity body (and specifically referencing ESSA) as a condition of any future licensing process.
155. We believe that it is only through such cooperation and partnership working, both nationally and internationally, that evidence-led investigations and sanctions can have the desired impact.
156. As such, it should be noted that ESSA's alert platform reported 24 cases of suspicious betting on Spanish sporting events during 2015-17 (our 2018 annual report will be published shortly).
157. ESSA would therefore welcome a closer working relationship on integrity issues with the Spanish authorities to exchange related information to protect Spain's betting market and sports events.

Annex A:

ADDITIONAL MATERIAL

1. ESSA has listed, and added links, to a number of key documents for the Spanish authorities to consider and which provide a more detailed examination of the many of the issues raised above.

British Gambling Commission Policy Papers

- [In-play \(in-running\) betting: position paper](#)
- [Protecting betting integrity](#)
- [The Gambling Commission's betting integrity decision making framework](#)
- [Misuse of inside information: policy position paper](#)
- [UK Sport and Sports Betting Integrity Action Plan](#)
- [Licence conditions and codes of practice](#)

ASSER Institute Studies

- [ASSER Institute Study on risk assessment and management in the fight match-fixing](#)
- [ASSER Institute Report on the Integrity risks of certain types of sports bets](#)

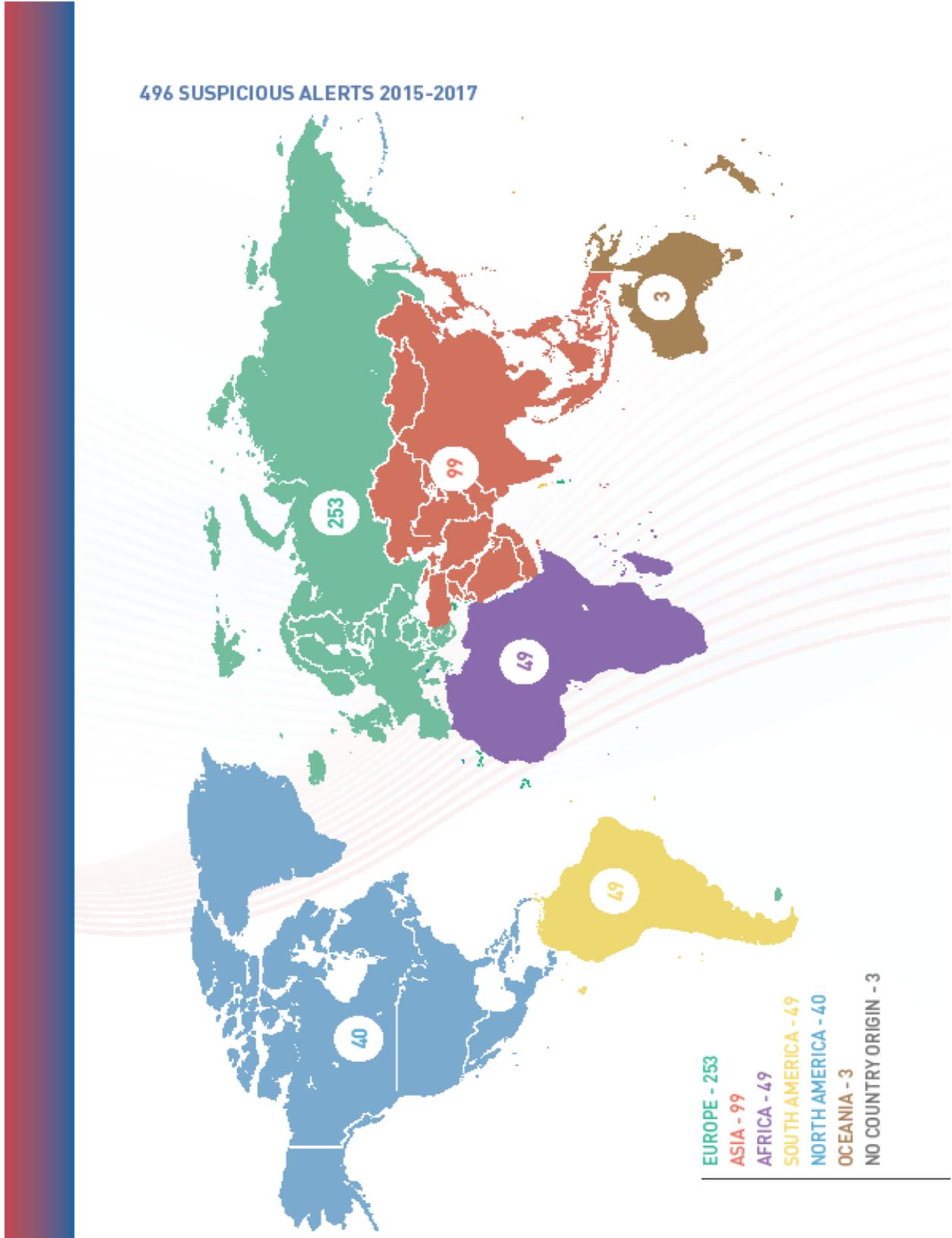
Betting Industry Reports

- [Sports Betting: Legal, Commercial and Integrity issues](#)
- [Sports Betting: Commercial and Integrity issues](#)
- [The Key to Sports Integrity in the United States: Legalized, Regulated Sports Betting](#)

Other Studies and Reports

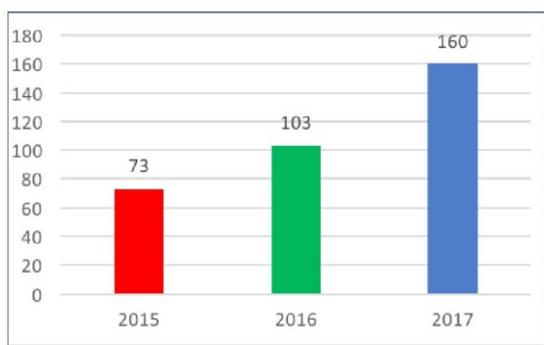
- [Council of Europe Convention on the Manipulation of Sports Competitions](#)
- [European Commission Expert Group report: State of Play on the fight against match fixing](#)
- [IOC and UNODC Study on Criminal Law Provisions for the Prosecution of Competition Manipulation](#)
- [KEA Match-Fixing in Sport report: A mapping of criminal law provisions in EU 27](#)
- [Betmonialert report: The monitoring systems of sports betting and warning mechanisms between public and private actors](#)

Annex B: ESSA BETTING ALERT DATA 2015-17



ESSA ALERTS PER SPORT 2015-2017

Tennis



Football

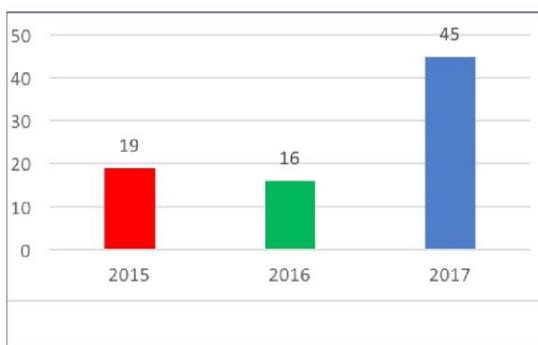
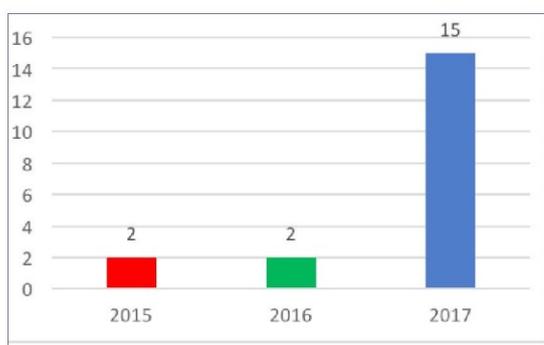
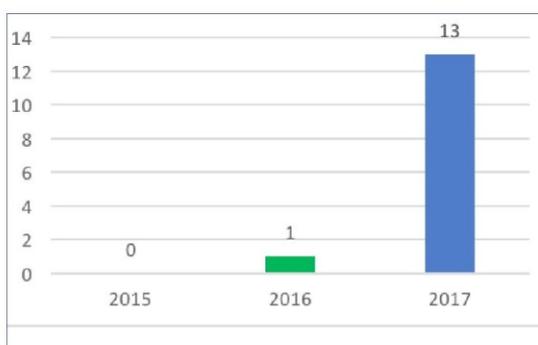


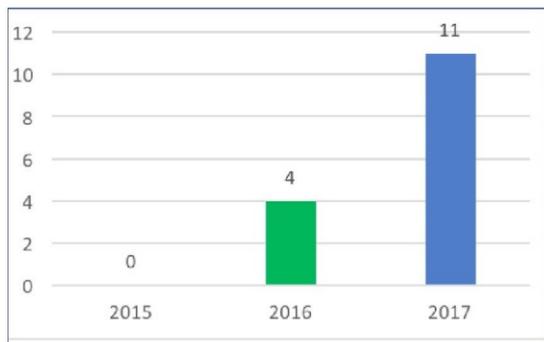
Table Tennis



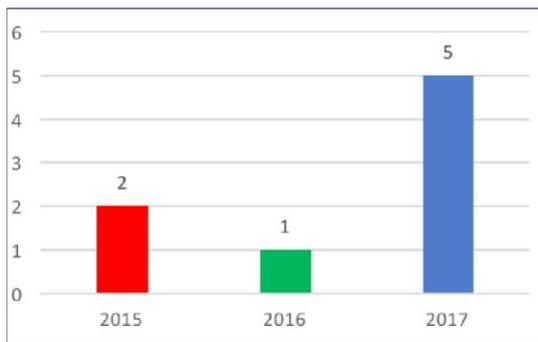
Basketball



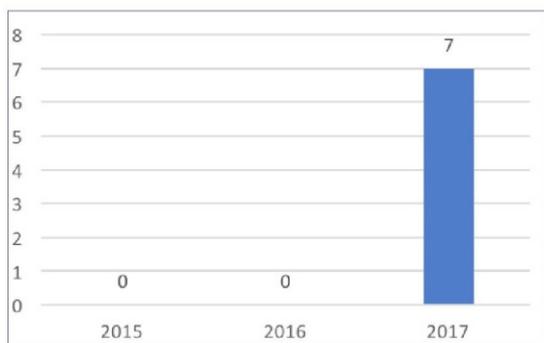
Volleyball



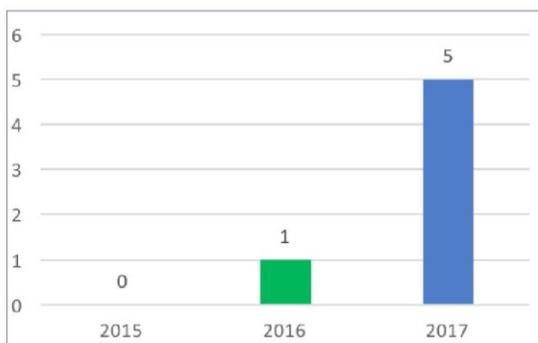
Snooker



Badminton

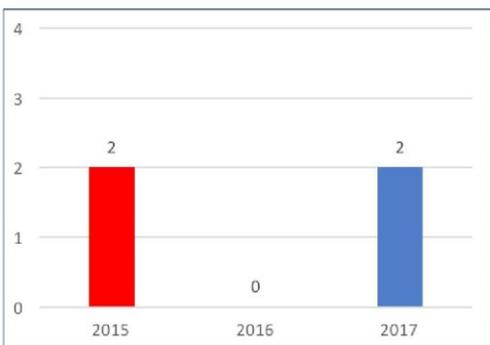


Handball



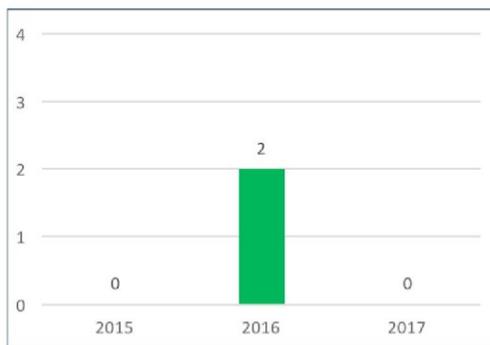
ESSA ALERTS PER SPORT 2015-2017

Ice Hockey



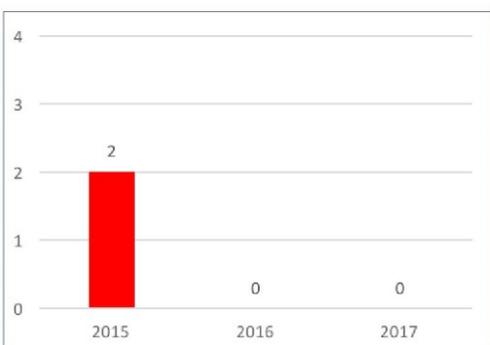
Total alerts:
4

Beach Volley



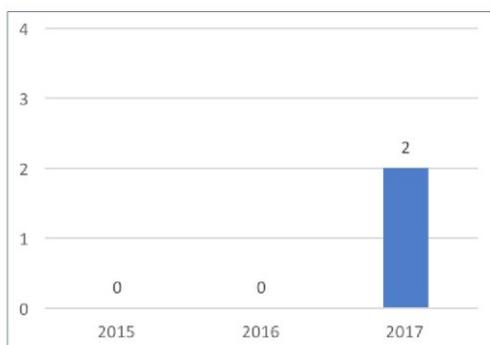
Total alerts:
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Greyhounds



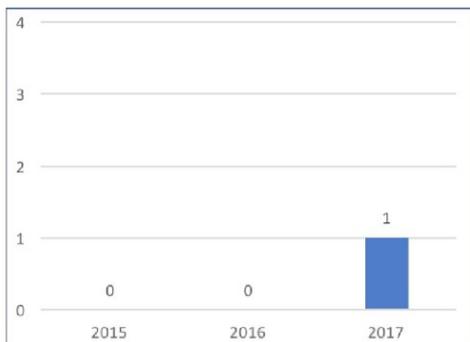
Total alerts:
2

eSports



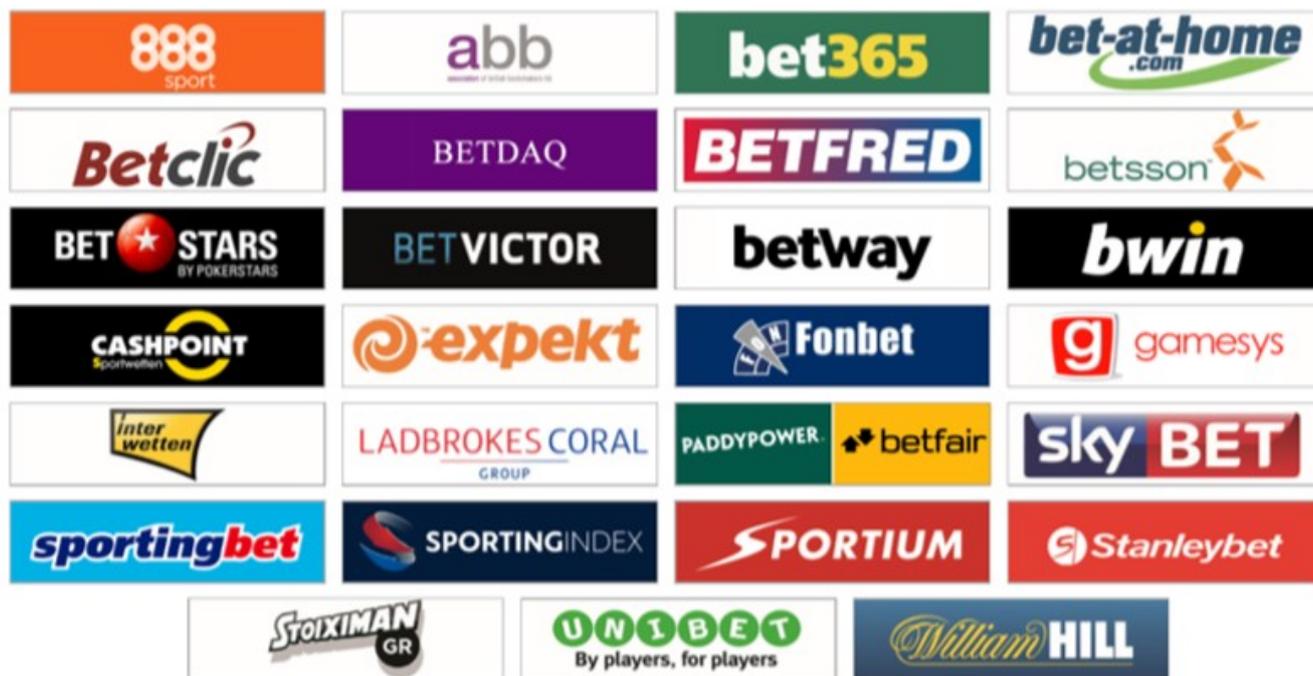
Total alerts:
2

Boxing



Total alerts:
1

OUR MEMBERS



OUR AFFILIATES



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