



23 April 2010

Public Consultation on Sport

The Remote Gambling Association (RGA) welcomes the Commission's launch of a public consultation on the new EU competence in the field of sport. Although the majority of the consultation addresses issues outside the RGA's remit, the issue of integrity in sports is of utmost importance to our industry. We share a common aim with the sports involved to combat any threat to their integrity, but we believe it is vital that any risk assessment must be properly evidenced and not based solely on assumptions.

The RGA is the largest trade association for the global online gambling industry. It represents most of the world's largest licensed, and stock market-listed remote gambling companies and provides the industry with a single voice on all the issues of importance to regulators, legislators, and key decision makers around the world. Our current membership and further information about the RGA can be found at www.rga.eu.com.

Earlier this year we published a 158 page report entitled 'Sports Betting: Legal, Commercial and Integrity issues' which looked at these issues in depth and is available on our website at www.rga.eu.com. We commend it as an important primary resource for the Commission's upcoming work at the EU level on sport.

To begin, it is important to note that the RGA lauds the European Commission's most recent comment on the issue of integrity in sport. It was set out in a written reply to a Parliamentary question on 21 January 2010. The full text is reproduced below as an annex, but the following extract is most relevant:

"Regarding illicit gambling, the Commission is not aware of any match fixing allegations against reputable European operators. Its services are, in the context of their work on the internal market for licit cross-border sports betting services, monitoring a number of Member States' regulatory bodies who are working closely with licit on-line sports betting service providers to detect illegal activities. Moreover, bookmakers themselves in order to attract customers have put in

place self-regulatory early-warning systems with sports federations to detect fraudulent activities taking place within individual sporting events.”

This is an important summary of the situation and underlines very clearly that the threat of betting related match fixing does not come from betting operators licensed in Europe. It can sometimes be easy to consider all betting operators as potential polluters of sport, but we would urge that a clear distinction should be made in this area.

In fact far from being polluters, it is the licensed betting industry that suffers financially when sports are corrupted by those directly involved in the events themselves.

Scale of the problem

Even a single case of corruption can be damaging, but we would argue that all public policies should be proportionate to the scale of the problem. Some representatives of sport have been quoted as saying that match fixing is as great a risk to the integrity of sport as doping. Our report found that in 2008, there were 382 proven cases of doping and only 4 incidents associated with betting. Consequently, any expenditure of resources or restriction of the internal market should be proportionate to the relatively low level of incidents.

In relation to the assertion that the risk is greater because of the growing availability of online betting there is absolutely no evidence that the problem has grown and most of the high-profile betting scandals of the past 20 years were facilitated by the illegal betting markets. Take the example of Hansie Cronje, the South African Cricketer banned for life in 2000 after a series of betting scandals in the 1990s, before the advent of betting exchanges or internet gambling. The ICC acknowledged that their problems came from the Indian sub-continent, where bookmaking is illegal. Indeed, the football-ground floodlight failures in the UK in 1997 were eventually traced to Far Eastern illegal betting syndicates.

We are not downplaying the risk and it is not in our interests to do so because we want sports to deal with the problems that they have, but high profile incidents such as the current investigations in Germany – where online gambling is prohibited – are not in themselves proof of an increasing problem. Instead they point to a problem that has existed and always will because there will always be illegal bookmakers willing to act outside of the law and there will always be sportsmen and officials who are willing to corrupt their sports for many reasons.

Responsibility

It should be self evident that sports are corrupted, on those thankfully rare occasions when it occurs, by those participating or officiating. They may be prompted to do so by third parties, but nevertheless the responsibility for upholding integrity in sport ultimately rests with the sports' governing bodies. It is worth repeating that it is the licensed betting industry that risks being defrauded in these circumstances by illegal betting rings.

The licensed betting industry should be viewed as a valued partner in countering corruption rather than as part of the problem. Jurisdictions where betting is prohibited or unlicensed face just as many threats, if not more, than liberalised jurisdictions and also lack a regulated industry to turn to for assistance in detecting corruption.

Prevention

The betting industry invests significant resources into security and monitoring. It has an excellent record in identifying unusual and suspicious betting patterns. It is willing to share this information with sporting authorities and supports the development of mechanisms to do so.

In this regard we believe that regulators in different jurisdictions need to work more closely together to facilitate such exchanges of information and that sports need to be aware that they should also provide information to betting operators if they have grounds for concern in advance of or after an event.

Our experience has been that sportsmen often have only a vague understanding of their sports' rules about betting or their sports have no specific rules at all.

Consequently, all sports should be urged to produce rules that alert sportsmen to the relevant dangers and the sanctions that could be imposed if they breach those rules.

Education

Consequently, more information and training about these issues should be available to those participating in sports. This should include the risks associated with gambling, the dangers of sharing confidential information, and a procedure for reporting any dubious approaches that might be made to them.

As a possible pilot for this, members of the betting industry have agreed to fund the Professional Players Federation in the UK for an initial three year period to develop such a programme.

Cost

As mentioned above, the licensed betting industry already invests significant sums to identify and prevent corruption. Sports should do likewise and it is unreasonable to seek to compel the betting industry, via any form of compulsory levy, to pay not just for its costs but for those of the sports too.

Through various income streams sports currently receive 3.4 billion euros a year from the European gambling industry. A small fraction of this would be sufficient to meet any costs directly involved with regulating betting-related integrity threats.

The phrase 'the polluter pays' is frequently heard when sports discuss these issues, but the licensed betting industry is not the polluter.

Conclusion

We hope that through this consultation process and subsequent dialogue we can utilise our expertise from the betting industry so that we can achieve our common goal of preventing corruption in sports.

If you need further information or assistance then do please let us know,

Yours sincerely,



Clive Hawkswood
Chief Executive

Debates	Note
Thursday, 21 January 2010 - Strasbourg	OJ edition
ANNEX (Written answers) - QUESTIONS TO THE COMMISSION	

▶ Question no. 22 by Nikolaos Chountis (H-0482/09)

Subject: Match-fixing in football - a bad example for young people

A report by the 'Union of European Football Associations' (UEFA) has uncovered a match-fixing scandal last season. Such incidents are a bad example to young people and distort the ethos of sport, which is being undermined by the huge amounts of money changing hands in gambling operations.

Bearing in mind Article 165 (2) of the Treaty on the Functioning of the European Union which provides that: 'Union action shall be directed at...developing the European dimension in sport, by promoting fairness and openness in sporting competitions and cooperation between bodies responsible for sports, and by protecting the physical and moral integrity of sportsmen and sportswomen, especially the youngest sportsmen and sportswomen', will the Commission say:

Has it looked into this matter and, if so, what view does it take about it? What measures does it expect UEFA to take vis-à-vis the clubs, the teams, the managers and the players involved in this scandal? Given the huge sums gambled every year in legal or illegal betting, does it see a permanent incentive to 'fix' sports events, what measures does it intend to take?

Match fixing undermines the social and educational functions of sport. It distorts the ethos of professional as well as grass-roots sport and is a direct threat to the integrity of sport competitions. Match fixing episodes are often associated to illicit gambling and corruption and frequently involve international criminal networks.

Due to the worldwide popularity of sport and to the trans-frontier nature of images from sporting events and of gambling activities, the problem often goes beyond the remit of national authorities. In line with article 165 of the Treaty on the Functioning of the European Union, the Commission states that the action of the Union must promote fairness in sporting competitions and cooperation between bodies responsible for sports. Following calls from sport stakeholders the Commission will address the issue of match fixing as it risks undermining the value of sport.

In this context, the Commission has consulted UEFA with regard to the recent match fixing scandal under investigation by the German authorities. The Commission has offered UEFA its support in raising awareness about match-fixing related problems at EU level.

Regarding illicit gambling, the Commission is not aware of any match fixing allegations against reputable European operators. In the context of their work on the internal market for licit cross-border sports betting services, monitoring a number of Member States' markets, the Commission is working closely with licit on-line sports betting service providers to detect illegal activities. Moreover, bookmakers themselves and their customers have put in place self-regulatory early-warning systems with sports federations to detect fraudulent activities taking place in sporting events.

Regarding the wider problem of corruption, the Commission is in the process of establishing a mechanism for monitoring Member States' efforts to fight corruption both in the public and in the private sector.

The Commission will support the sport movement and other relevant stakeholders (such as betting companies and media) in their efforts to prevent match fixing episodes at European level. In this respect, the Commission is supportive of types of partnership where sports stakeholders are working with betting companies to develop early warning systems aimed at preventing fraud and match-fixing scandals in sport. This is part of good governance in the field of sport betting.

The Commission will also support cooperation between the private and public sector in order to find the most effective ways to address and other forms of corruption and financial crime in European sport.